Austria	Sch30	Iran	Rls210	Pakistan	Rs35
Bahrain	Din0.800	Israel	Shk4.50	Philippines	Pso40
Belgium	BFr60	Italy	L2200	Poland	Zl 11,000
Cyprus	C£1.00	Jordan	JD1.50	Portugal	Es175
Denmark	DKr15	Korea	Won 2000	Qatar	QR10.00
Egypt	E£3.00	Kuwait	Fils.500	S.Arabia	SR8.00
Finland	Fmk9.00	Lebanon	L£1,000	Singapore	S$4.10
France	FFr7.00	Lux	LFr60	Spain	Pta175
Germany	DM3.00	Malta	45 cents	Sweden	SKr13
Greece	Dr200	Morocco	MDh10	Switz	SFr2.70
Hungary	Ft145	Neth	Fl 3.50	Thailand	Bht50
Iceland	IKr180	Nigeria	Naira15	Tunisia	Din0.800
India	Rs20	Norway	NKr13.00	Turkey	L3000
Indonesia	Rp3100	Oman	OR1.20	UAE	Dh8.00

EUROPE'S BUSINESS NEWSPAPER

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EASTERN EUROPE

Time to sort out who owns what

Page 16

World News

Yugoslav PM claims west's support for reforms plan

Yugoslav prime minister Ante Markovic has claimed the support of western governments for his economic reforms and his attempts to hold the country together in the face of growing international opposition. Page 18

Greek ferry ablaze

About 650 passengers, including foreign tourists, scrambled into lifeboats when fire broke out aboard a packed Greek ferry bound from Athens' main port of Piraeus to the island of Rhodes.

Yeltsin appeal

Russian Federation leader Boris Yeltsin said he was prepared to work with Mikhail Gorbachev but urged the Soviet president not to "turn his back on the process started in our country six or seven years ago". Page 2

Nato to axe jobs

The North Atlantic Treaty Organisation said it would cut hundreds of jobs from military headquarters across Europe within the next two years. Page 2

US rail threat

President George Bush said a threatened national rail strike, the first in almost a decade, could severely disrupt the US economy. He offered his administration's help to both sides.

Open-ended offer

Afghanistan has offered Afghans who fled years of civil war the right to return home with the option of leaving again if they do not like what they find.

Rebel officer seized

Philippine soldiers seized Captain Edgardo Divina, a rebel army officer suspected of a leading role in a failed 1987 coup attempt.

Albanian boycott

Albania's opposition Democratic party, saying it was subject to persecution and terrorism, decided to boycott the country's [illegible] parliament in half a century.

Chile police fear

Chile's army is lobbying hard to be included in a new anti-terrorist unit, raising fears that the dreaded secret police of former dictator General Augusto Pinochet may soon be back in action. Page 6

Bomb kills teenager

A 17-year old girl was killed and four members of her family injured in the Spanish city of San Sebastian by a car-bomb intended for her policeman father.

Seoul jails student

A South Korean radical student leader was sentenced to six years in prison for unauthorised contacts with North Korean students.

New kidnap demand

The guide of two kidnapped Japanese students delivered fresh demands from Pakistani bandits after being released. The students are being held in a forest in Sind.

Communists win

Hungary's former Communist Party won the first parliamentary by-election since general elections a year ago ended four decades of Communist rule, provisional results showed.

Woman executed

Chinese authorities sentenced to death and immediately executed a 22-year-old Tibetan woman accused of embezzlement while working for the national airline, the Tibetan Daily reported.

Editor shot dead

A gunman barged into the office of a newspaper publisher and editor and shot him dead in the southern Philippines city of Ozamis.

Business Summary

Chase Manhattan trebles earnings

Chase Manhattan, which seemed just six months ago to be one of the most critically ill of the US retail banks, has bounced back with a near-trebling of first-quarter earnings.

North America's second-largest banking group posted net income of $117m (73 cents a share), up from $44m (20 cents a share) a year earlier. Lower funding costs and an increase in high-margin consumer lending pushed up net interest income to $841m, from $814m last year. Page 19

AMERICAN Telephone and Telegraph has succeeded in ousting four directors of NCR, the fifth-largest US computer manufacturer, including the chairman, Charles Exley. Page 19

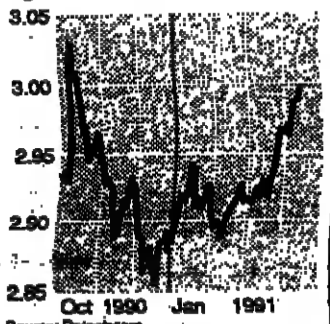
BRAZIL is to start lifting its 10-week-old price freeze today, returning to the system of price controls dropped by President Fernando Collor last year. Page 18

TEN of east Germany's former communist newspapers were sold to west German publishers for a total of DM850m ($503m) in a fiercely contested bidding battle. Page 2

STERLING bounced off a high of DM3.00, but finished higher against the D-Mark, despite Friday's cut in UK bank base rates.

Sterling

Against the D-Mark (DM per £)



Source: Datastream

The pound remained the second strongest member of the European exchange rate mechanism, rising to DM2.9975 from DM2.9950 and closing unchanged at FFr10.1150. Currencies, Page 36

SILVIO Berlusconi scored a significant victory in his battle for control of the media group, Mondadori, with the election of a board weighed in his favour. Page 19

ASIAN Development Bank reported that the Gulf war had cost its developing member countries more than $1.2bn in lost exports. Page 4

JAPAN's wholesale prices rose 1 per cent in March from a year earlier. Page 4

TOYOTA is negotiating to sell Volkswagen vehicles in Japan in expectation of strong demand for imported models. Page 3

SCHNEIDER, French electrical equipment group, announced further progress in its unsolicited $1.8bn bid for control of Square D, the US maker of electrical distribution equipment. Page 20

STAD Rotterdam, fifth largest Dutch insurance company, said 1990 net profit was up 8.9 per cent at Fl 79.8m ($42.4m). Page 20

REYNOLDS Metals, second-largest US aluminium group, suffered a 64 per cent fall in first-quarter net earnings, from $77.7m or $1.31 a share to $27.5m or 46 cents. Page 22

PAINEWEBBER, one of Wall Street's biggest securities houses, reported a near-three-fold rise in first-quarter profits to $31.6m. Page 22

WESTPAC Banking Corporation, Australia's biggest bank, appears set to reverse a decision to close its Seoul branch. Page 21

Inauguration of European bank for reconstruction marks 'a new beginning'

Mitterrand says EBRD is step to united Europe

By Peter Norman, Economics Correspondent, in London

MR François Mitterrand, the French president, said the creation of the European Bank for Reconstruction and Development was a step towards the development of a "great Europe".

Speaking at the inaugural ceremony of the bank, whose Ecu10bn ($12.2bn) capital will be used to help former European communist countries develop market economies, Mr Mitterrand said it would be the bank's job to encourage democracy. He warned that the democratic institutions in eastern Europe would be the most fragile and threatened by the hardships of economic restructuring.

Mr John Major, the UK prime minister, forecast that the city of London would be turned into the "financial crossroads" between eastern and western Europe and emphasised that Britain intended to play a "central role" in the future development of Europe.

He told government leaders, finance ministers and officials from the 39 countries and two European institutions that set up the bank that its inauguration marked a new beginning and was a monument to European co-operation.

Goodwill on a worldwide scale had been turned into something practical and lasting, he said. It was a "natural fit" that London, as Europe's premier financial centre, should become the bank's home.

Mr Jacques Attali, the bank's president, said the bank was unique for three reasons: it was the first institution of the post-Cold War period; the first institution of a united Europe and the first institution of a new world order.

However, the majority hold-

Continued on Page 18

Borrowing 'this summer', Page 2; Sorting out who owns what, Page 16; Observer, Page 16

Talking heads: UK premier John Major greets France's president Mitterand at yesterday's inauguration in London

Turkey presses for camps in Iraq as it admits Kurds

By Alison Smith, Emma Tucker and Robert Mauthner in London and John Murray Brown in south-east Turkey

TURKEY yesterday said it was ready to set up more camps for Kurdish refugees from Iraq, but stressed they should be accompanied by more camps on the Iraqi side of the border.

In Ankara, the Turkish capital, officials said the first 20,000 refugees would be moved down from the mountains to a site at Silopi, some 15km inside the country – in contrast to earlier official policy confining refugees close to the border. Silopi is equipped with tents supplied by the United Nations High Commission for Refugees.

Most of the Kurds, however, will remain dependent on the international air drop. The promise of more camps came in London in a meeting between Mr Yildirim Akbulut, the Turkish prime minister, and Mr John Major, his British counterpart. Downing Street said Mr Akbulut said Turkey had already established some camps down from the mountains, but stressed it had to be a reciprocal process.

Mr Akbulut and Mr Major agreed, however, that the only lasting solution was for the refugees to return home in safety, and Mr Major said he would encourage the UN towards this objective.

The 45-minute bilateral meeting between Mr Major and Mr Akbulut, in London for the launch of the European Bank for Reconstruction and Development, was devoted to discussing the plight of the Kurds.

Mr Akbulut said there were now 400,000 refugees from Iraq in Turkey and the country was spending £1.5m ($2.6m) a day on them.

Later Mr Douglas Hurd, the foreign secretary, outlined the UK contributions to the relief effort in a statement to the House of Commons. He told MPs Britain would send another six Chinook helicopters to Turkey this week, bringing to nine the number of UK helicopters helping with relief drops into northern Iraq.

Two UK Chinook CH-47 helicopters made their first drops over the weekend, near Semdinli, where thousands remain cut off by poor roads. Among them are many refugees previously turned back from the Iranian border.

Around 60 US helicopters are being rushed to the region to take food and medical supplies from forward bases at Silopi to the people in most need.

The effects of the air drop are apparent. In camps, the green tenting supplied by the UK is already in use. But without proper co-ordination on the ground aid officials are concerned the real benefits of the air drop may be lost.

"It's no good dropping boxes of powdered milk out of the back of a helicopter where there is no clean water," says one aid official. "The next thing you know, you've started a local black market in all the products which should have helped the refugees."

The US is deploying its Disaster Assistance Response Team. There are also understood to be personnel with the refugees on the ground identifying drop sites.

On more than one occasion last week, however, C-130 aircraft had to abort missions because of poor visibility. The helicopters are now being deployed to fly at lower altitudes and are able to target the drop sites more accurately, using netted payloads.

In London, meanwhile, Mr Hurd said Mrs Lynda Chalker, the overseas development minister, would visit stricken border areas this week. Mr Hurd said the admission of Kurds into Turkey and Iran, while welcome, was not the answer. "We should not aim to add a new permanent refugee problem to the others which disfigure the world," he said.

Gulf news, Page 4

Japan refuses to approve $500m loan to Poland

By Stefan Wagstyl in Tokyo

JAPAN'S Ministry of Finance is blocking approval of a $500m loan promised to Poland, underlining its disapproval with a US-sponsored plan to forgive at least half of Poland's debts

The money was pledged by Mr Toshiki Kaifu, the Japanese prime minister, on a visit to eastern Europe last year.

But the Ministry of Finance is blocking approval following an argument with the US Treasury over a plan to cancel at least 50 per cent of government loans extended to Poland and to make similar concessions to Egypt.

A deal was struck last month at the Paris Club of creditor governments in effect to write off at least half of Poland's debts. Japan – owed $1.4bn by Poland – agreed extremely reluctantly.

The Japanese finance minister, Mr Ryutaro Hashimoto, underlined the Japanese position to an international audience last week. If Japanese government loans were forgiven, "then it will become extremely difficult for Japan to provide new loans to that country," he said.

Mr Hashimoto met the US treasury secretary, Mr Nicholas Brady, on Sunday in London for a meeting that lasted longer than expected. Mr Hashimoto described the meeting as a "friendly argument", although he did not make it clear what was the cause of the dispute.

The row highlights Japan's growing assertiveness in international financial affairs. As the world's largest government aid donor, it feels the size of its contribution earns it the right to influence policymaking. Finance Ministry officials say that allowing one debtor to

Continued on Page 18

EC majority 'favours common foreign and security policy'

By David Buchan in Luxembourg

A LARGE majority of European Community countries favour two key proposals on European political union – involving a common foreign and security policy and increased law-making power for the European parliament – Mr Jacques Poos, the Luxembourg foreign minister, said yesterday after hosting a meeting with his EC counterparts.

The probable final shape of EC political union is due to emerge today when the Luxembourg presidency presents a draft treaty creating the common EC foreign and security policy (CFSP), setting parliamentary powers for Strasbourg, giving EC citizens the vote elsewhere in the Community, and slimming down the Commission to one representative for each of the 12 governments.

Luxembourg is tabling its wide-ranging, 95-page document, which would also endorse for the first time intergovernmental co-operation among the Twelve on police and immigration issues, after three months of negotiation on political union in the hope of getting agreement by end-June.

EC treaty revision requires unanimous government assent, and parliamentary ratification, in all 12 member states.

But Mr Poos, in claiming his "large majority" in favour of the two key proposals, said there were "no irreducible differences" dividing the majority from dissenters such as Britain.

According to the Luxembourg compromise draft, the EC's new architecture would have an overarching preamble referring to the aims of the "European Union".

The treaties proper would be divided into three:

- Community activities, including the Treaty of Rome amended to incorporate monetary union, and the EC's separate coal, steel and nuclear treaties.
- An area of mixed EC/national competence on the CFSP with some Commission involvement and majority voting where at present there is none.
- Codification of purely intergovernmental co-operation on judicial and police issues such as drugs, crime, political asylum and immigration visas.

Governments will thus keep the initiative in these sensitive areas out of the Community machinery , but formally recognise the need for more co-operation among themselves.

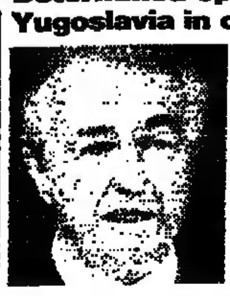
To make the EC's executive body more efficient, Luxembourg proposes only one Commissioner per country. Of the five larger states with currently two Commissioners each, only Britain so far backs this proposal.

The presidency has also adopted a Spanish proposal to allow EC citizens to reside anywhere across the Community and to vote in local and EC polls. Hitherto EC citizens have had a right to work, rather to reside in each other's countries, in effect restricting mobility for those outside the labour market.

EC lifts ban on import of South African gold, Page 4

CONTENTS

Determined optimism keeps Yugoslavia in one piece



With the rebellious republics of Serbia and Croatia determined to topple him from power, Yugoslav prime minister Ante Markovic is relying on the economic backing of western powers to keep him afloat

Page 18

MARKETS

STERLING
New York lunchtime:
$1.7903
London:
$1.789 (1.7775)
DM2.9975 (2.995)
FFr10.115 (same)
SFr2.545 (2.5375)
Y240.5 (242.25)
£ index 93.3 (93.0)

GOLD
New York: Comex Jun
$363.2 (362.7)
London:
$360.25 (360.75)

N SEA OIL (Argus)
Brent
$19.675 (19.125)

Chief price changes yesterday: Page 19

DOLLAR
New York lunchtime:
DM1.6732
FFr5.6425
SFr1.4195
Y134.23
London:
DM1.6755 (1.6845)
FFr5.655 (5.69)
SFr1.423 (1.4275)
Y134.45 (135.25)
$ Index 64.3 (64.6)
Tokyo close: Y135.22

US lunchtime rates
Fed Funds 5¾%
3-mo Treasury Bills:
yield: 5.761%
Long Bond:
97 $\frac{31}{32}$
yield: 8.105%

STOCK INDICES
FT-SE 100:
2,542.8 (+16.7)
FT Ordinary:
2,003.6 (+6.1)
FT-A All-Share:
1,229.26 (+0.5%)
New York
DJ Ind. Av.
2,916.83 (-3.96)
S&P Comp
379.63 (-0.77)
Tokyo: Nikkei
26,695.53 (+113.03)

LONDON MONEY
3-month Interbank:
closing 11⅞% (same)
Liffe long gilt future:
Jun 92 $\frac{1}{16}$ (92 $\frac{9}{32}$)

ICL complains to Brussels over aid to Bull

By Michael Skapinker in London, William Dawkins in Paris and David Gardner in Brussels

ICL, the UK-based computer company owned by Fujitsu of Japan, has written to the European Commission and to the British government complaining about state aid to Bull, the French computer maker.

Commission officials said yesterday they expected further complaints from other European computer manufacturers. The Commission has already begun examining the French government's proposed FFr4bn capital injection to Bull, which lost a record FFr6.8bn last year.

Mr Peter Bonfield, ICL's chairman, said in letters to Sir Leon Brittan, the EC Commissioner in charge of competition policy, and to Mr Peter Lilley, the UK trade and industry secretary, that aid to Bull would distort the European computer market. He also said that French state aid to Bull could encourage other computer companies to seek grants from their own governments. The letters added that allowing state aid for Bull would be contrary to the EC's commitment to establishing an open and competitive single market.

Bull greeted the ICL complaint with open irritation. "Such a letter could not have been drafted in London, but by Fujitsu," said a senior company official.

ICL's relations with other European computer companies have suffered since it was purchased by Fujitsu last year.

Europe's biggest semiconductor research project, the Joint European Submicron Silicon (Jessi) initiative, last month expelled ICL from three of the five projects in which it was participating because of its Japanese links.

ICL was also expelled from the European Information Technology Round Table, a lobby group, last January.

● Britain wants other European governments to review a decision to expel computer company ICL from three semiconductor research projects because it is now Japanese-owned, a British spokesman said on Monday, Reuter reports from Brussels.

He said Britain was concerned because the government-backed JESSI semiconductor programme decided to exclude ICL even though its project partners wanted to continue working with the British company.

"Our opinion is it was the wrong decision, made in the wrong forum and unwise in view of the opinions of the industrial partners," the spokesman for the Department of Trade and Industry said.

Britain complained about the decision during a high-level meeting last week of JESSI's parent, the 19-country Eureka high-technology research programme, he said. It will also raise the issue next week at a meeting of the JESSI committee, composed of public authorities from JESSI contributors Britain, France, Germany, Italy, the Netherlands and the European Community.

JESSI officials said the programme board, comprising eight top electronics industry executives, reviewed whether ICL would, under its new management, contribute to JESSI's goal of strengthening the European semiconductor industry. It decided that ICL's input could be duplicated by European-owned firms.

EC satisfied on breakthrough in E Europe talks

By David Buchan in Luxembourg

THE European Commission yesterday expressed its "considerable satisfaction" that EC governments had given its negotiators more leeway to reach association agreements with Poland, Czechoslovakia, and Hungary.

After three rounds, negotiations had reached deadlock, with the east Europeans complaining that the Community was being economically protectionist and politically evasive in refusing to offer them EC membership.

EC foreign ministers yesterday decided that:

● The prospect of membership can figure in the association agreement's preamble as an ultimate goal for the respective east European country. But there would be nothing automatic about it.

● The EC will drop its demand for a half-way review of the 10-year phasing-in of mutual free trade. The three east European countries had seen this review as putting in question the EC's commitment to free trade.

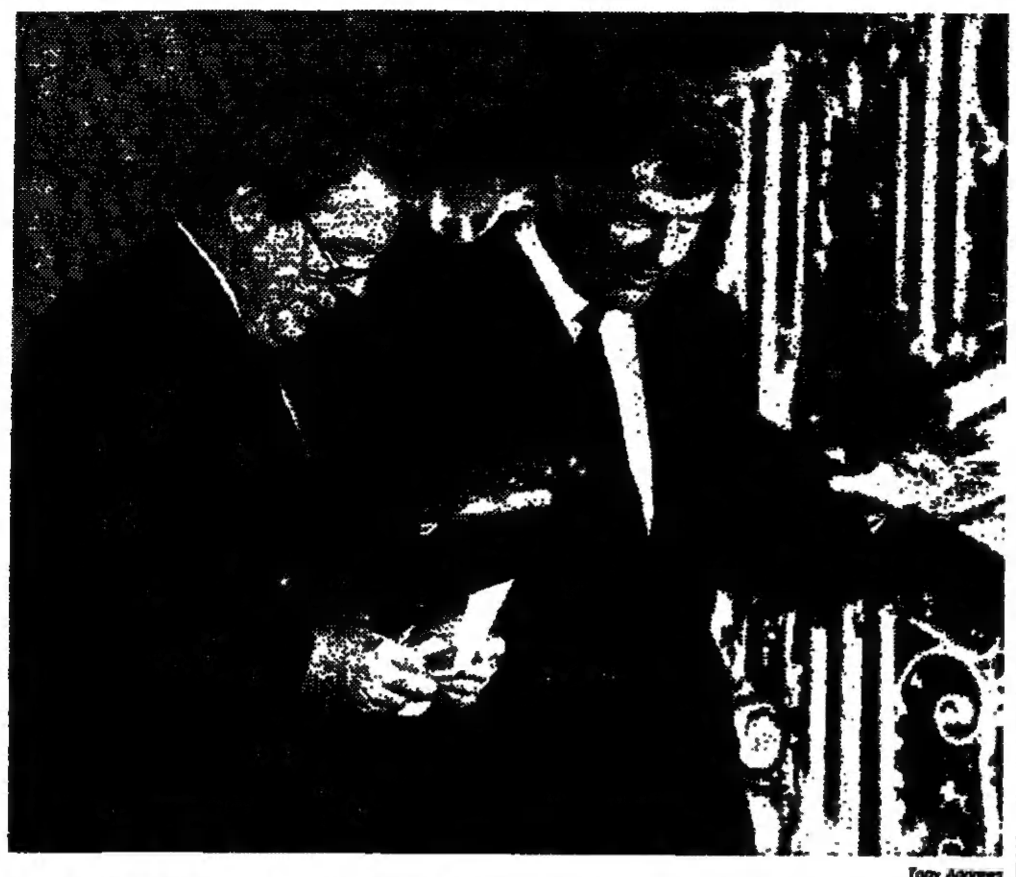
● The east Europeans will be given more time to establish the tariffs they are supposed to phase out over the 10-year period.

● Agricultural concessions by the EC can be considered, provided the east Europeans make a reciprocal effort.

● Tariffs on textile imports from east Europe will be eliminated over the 10 year period, while restrictions on steel imports will go in five years, provided east Europe cuts out subsidies to these sectors.

So far, Brussels has not responded to the interest of Romania and Bulgaria in similar associations accords with the EC.

Talks to widen Yugoslavia's long-standing economic cooperation agreement with the EC are for the moment held up by the turmoil in that Balkan country. The EC presidency and Commission are due to visit Belgrade shortly.



Tony Andrews

Dutch Prime Minister Ruud Lubbers (right) makes a point to Chancellor Franz Vranitsky of Austria at yesterday's EBRD inaugural meeting in London

Czech bank chief appeals for more aid

By Anthony Robinson, East Europe Editor

MR JOSEF Tosovsky, president of the Czechoslovak National Bank, yesterday appealed to western governments and financial institutions to help the former Comecon countries re-establish trade flows with the Soviet Union. These have fallen steeply since the switch from rouble to dollar trading on January 1.

"What I have in mind is for western institutions to make future loans to the Soviet Union conditional on Soviet repayment of East European credits as a means of re-activating trade which in the Czechoslovak case has dropped by more than 50 per cent this year," said Mr Tosovsky in an interview.

The importance of freer access to European Community markets – especially for food, textiles and steel products – was another key issue raised by East Europeans at the opening of the European Bank for Reconstruction and Development (EBRD).

Free access to the US market after the war is considered more important to the reconstruction of western Europe than Marshall aid. East European members of the new bank hope that it will become an influential lobby in support of their demands for freer EC access.

Mr John Flemming, the new bank's Chief Economist, cautioned however, that the bank's role would probably be limited to becoming "a place where such arguments can be advanced" rather than an active free-access lobby.

Reconstruction bank to start borrowing 'this summer'

By Peter Norman, Economics Correspondent

THE European Bank for Reconstruction and Development expects to start borrowing on the world's capital markets this summer, according to Mr Anders Ljungh, the EBRD's vice president for finance.

He told a group of bankers and journalists attending the EBRD inauguration that the bank would also start accumulating liquid reserves around the same time, which it would place with banks and in first class securities.

In this way, the London-based bank, which is being set up to help eastern European nations develop market economies, will become an active participant in financial markets.

Mr Ljungh said the bank would need to borrow because only 30 per cent of its Ecu10bn (£6.9bn) capital would be paid in, and that over a five-year period. But it would start borrowing before it actually needed the funds for its lending operations. In this way it would build up its reserves.

He said that the EBRD would have to show that it was likely to make a profit "fairly soon" to obtain and keep a high credit rating. It was currently in discussions with rating agencies with the aim of winning "triple A" status.

It would be "natural" for the bank to borrow first in ecus, Mr Ljungh said. But the bank would be flexible and he did not exclude raising funds in other monies and swapping them to provide the convertible currencies that the EBRD's borrowers would want.

A SENIOR US Treasury Department official warned central banks yesterday that their attempts to eliminate inflation through high interest rates could cause a worldwide credit crunch, Reuter reports.

He said global economic growth was needed to generate the money to fund east European and Soviet economic reforms, Middle East reconstruction and the opening up of Latin American economies.

"I see (high real interest rates) as a plug in the arterial system of world growth," the official, who declined to be named, told journalists. He urged central banks to avoid pursuing the "holy grail" of zero inflation by keeping real interest rates at very high levels.

Federation leader addresses MEPs

Yeltsin asserts readiness to co-operate with Gorbachev

By Andrew Hill in Strasbourg

MR Boris Yeltsin, leader of the Russian Federation, said yesterday he would be prepared to work with Mr Mikhail Gorbachev, the Soviet president, to avoid a disaster for democracy in the Soviet Union.

But at the same time, he urged Mr Gorbachev not to "turn his back on the process started in our country six or seven years ago."

Mr Yeltsin was speaking to socialist members of the European parliament on his first trip outside the Soviet Union since becoming president of the Russian Federation last summer.

He was criticised by some MEPs for his apparent opposition to Mr Gorbachev, but Mr Yeltsin rejected suggestions that there was any animosity between the two men.

"It isn't a bipolar matter," he said. "There's no kind of animosity or allergy of Yeltsin against Gorbachev."

He went on to warn that "the right is preparing disasters for democracy [in the Soviet Union]. . . We have to act to avoid that – to prevent the right from advancing – and in that struggle we are always prepared to co-operate with President Gorbachev."

Mr Yeltsin said hardline communists rather than Mr Gorbachev could be to blame for strikes and falling living standards.

"It isn't necessarily his fault. Perhaps he's just unlucky, perhaps he didn't have any choice."

Mr Yeltsin again backed the idea of "round table" talks with all political sides, including the unions, which he said could develop into a form of coalition government.

Earlier, Mr Yeltsin met Mr Enrique Baron Crespo, president of the European Parliament, who poured cold water on the possibility of direct links between the Russian Federation and Euro-parliament. Mr Baron said such links would be difficult while the parliament maintained official relations with the assembly of the Supreme Soviet.

Mr Boris Yeltsin awaits the make-up artist before appearing on TV in Strasbourg

Nato to cut hundreds of jobs in Europe

NATO said yesterday it would cut hundreds of jobs from military headquarters across Europe within the next two years because of the end of the Cold War, Reuter reports from Brussels. Supreme Headquarters Allied Powers Europe in southern Belgium said 10 per cent of military and civilian staff at the major European command centres would lose their jobs.

"It's like a business," said a Nato official. "We are cutting back because our market has shrunk." But unlike a business, Nato staff will lose their jobs because their organisation has been too successful.

The Soviet military might that obsessed the West for decades is on the wane. The Soviet-led Warsaw Pact was effectively wound up this month.

Treuhand restrains media barons in sale of newspapers

By Leslie Colitt in Berlin

TEN OF east Germany's former communist newspapers were sold to west German publishers yesterday for a total of DM850m (£284m) in a fiercely-contested bidding battle. However, the Treuhand privatisation agency intervened to ensure that they did not all fall into the hands of the big four media barons.

The Treuhand does not want west Germany's publishing giants to dominate the press market in the east, so it employed New York investment bankers J.P. Morgan to organise the bidding and assure the "highest degree" of objectivity.

The largest west German publishers secured only one each of the dailies they bid for. Axel Springer, the nation's largest newspaper publisher, and Madsack publishing house jointly bought the Leipziger Volkszeitung, which has a circulation of 379,000.

All other Springer bids were turned down, as were multiple tenders by Hamburg publisher Gruner & Jahr, which was only allowed to take a majority stake in Sächsische Zeitung in Dresden, the largest of the regional dailies with a circulation of 517,000.

Heinrich Bauer obtained the Magdeburger Volksstimme (circulation 374,000), but likewise failed in its bid to other regional papers. Contracts finalising all the takeovers have yet to be signed.

Another large west German magazine publisher, Burda, obtained only the 180,000-circulation Schweriner Zeitung. However, Burda plans to launch a mass-circulation newspaper in Berlin next month in a head-on challenge to Axel Springer which dominates tabloid circulation in the capital.

MR HERO BRAHMS was yesterday appointed vice-president of the Treuhand, a newly-created post under Mrs Birgit Breuel who last weekend succeeded the assassinated former president, Mr Detlev Rohwedder, writes Leslie Colitt.

Mr Brahms is a member of the executive board of Hoesch, the steel company formerly headed by Mr Rohwedder.

Only two of the 15 east German dailies now remain unsold, and they will come on the market later when technicalities regarding the sale are resolved. Three have already been sold.

The purchase by Maxwell Communications and Gruner & Jahr of Berliner Verlag, publisher of the 300,000-circulation Berliner Zeitung, from the east German Communist Party was approved by the Treuhand last month.

Mr Karl Schirner, a member of the Treuhand board, said yesterday that the buyers of the 10 newspapers intended to invest DM1.3bn in them and would expand overall jobs by nearly 10 per cent to 8,800 by the end of next year.

● The Treuhand has also agreed in principle a restructuring programme for east Germany's shipyards which is likely to cost several billion D-Marks, writes David Goodhart in Bonn. The DMS group in Rostock is expected to receive Treuhand-backed liquidity credit of DM500m but will need at least DM3bn in new investment for a full restructuring.

Advisers warn Bonn on E German strategy

By David Goodhart in Bonn

A REPORT from the German government's council of economic advisers has indirectly criticised Bonn's more interventionist strategy towards east Germany and warned that "overhasty actions" in response to the depressed mood in the east will hinder economic recovery.

It also criticised the Treuhand's new priority of restructuring. "Supporting unprofitable jobs will merely hold up economic reconstruction," the report said. The council predicted unemployment of 1.7m in east Germany by the end of the year and short-time working of 2m, but expects the upturn to begin next year.

● The IFO economic institute has estimated that east Germany needs investment of DM211bn by the end of the decade to acquire the same quality of environment as west Germany. However, it appears that the preference for building new nuclear power plants in east Germany, partly on clean air grounds, is now being reconsidered by the government.

Mr Jürgen Möllemann, the economics minister, who had spoken out in favour of nuclear power in the east, is now seeking a national consensus with the anti-nuclear opposition Social Democrats on energy matters.

Polish steelworks seek permission for privatisation

POLAND'S Huta Katowice steelworks, one of the country's largest plants, is suffering a severe cash squeeze and pressing the government to let it be privatised, writes Christopher Bobinski in Warsaw.

The steelworks failed to make a Zl 73bn ($7.6m) payment to the state budget last month, part of a tax on capital assets in the state sector which is due to provide some 8 per cent of budget revenues.

Management has told the plant's 16,000 employees that a fall in exports and domestic sales in the first quarter and a failure by customers to pay their bills could halt production.

Sales to the Soviet Union, which accounted for 8 per cent of last year's output, have slumped and a 12 per cent fall in the value of the D-Mark has hit earnings in Germany, as energy and other costs have risen.

The crisis has prompted the works to press the government to open the way to a privatisation of the plant which would however lower budget revenues.

The shortage of funds has also jeopardised an agreement signed with Mannesmann, the German engineering company, to install two continuous steel casting lines in the plant.

Proxy Consulting, a company from nearby Krakow has been retained to advise the works on restructuring and privatisation of the plant.

However, the government is reluctant to agree to "commercialising" the steelworks, which is the first step to privatisation, which would mean the plant no longer having to pay tax. Tax will cost the plant almost Zl 900bn this year.

● Mr Philip Kirsch, a Belgian citizen, has been appointed to manage the Glogow copper smelter, part of Poland's KGHM copper producer. The appointment for 12 months is the first of its kind in Polish industry.

Mr Kirsch has been working for A.T. Karney, a US consultant retained by the KGHM to prepare the combine for privatisation.

EUROPE IN BRIEF

German builders win 7%

A MILLION workers in the west German building industry yesterday won a 7 per cent pay increase for this year, writes David Goodhart in Bonn. That is more than twice the expected inflation rate for 1991 and, in the light of recent warnings from the Bundesbank, increases the likelihood of higher German interest rates.

The employers had hoped to keep the deal to just under the 7 per cent but their acceptance of the slightly higher figure means the bigger negotiating group in the metal industry, covering about 5m workers, is also likely to win at least 7 per cent.

The deal will also benefit the 500,000 building workers in east Germany who will receive 65 per cent of the western wages backdated to April 1.

● Mr Hans Tietmeyer, Bundesbank board member, said that German interest rates must stay relatively firm to protect the D-Mark and limit domestic price risks.

Albanian mps stage boycott

Albania's opposition Democratic Party, saying it was subject to persecution and terrorism, decided yesterday to boycott the country's first freely-elected parliament in half a century, Reuter reports from Tirana.

"There is a need to establish a calm situation and put an end to the continuing terrorism against the opposition," said party spokesman Mr Genc Pollo. "Only then can a proper parliament work."

The Democrats' 75 newly-elected deputies confirmed that they would not attend the opening session of the People's Assembly later yesterday because the killers of four party members two weeks ago had not yet been brought to justice.

JAT airline strike goes on

A strike that has grounded all flights of the Yugoslav airline JAT since Thursday is costing the already heavily-indebted carrier $1.5m a day, the company said.

The strike by technical staff began on April 4 and JAT Director-General Miodrag Vasiljevic ordered all flights cancelled from midnight last Wednesday.

JAT lost $56m in 1990 and faces more problems this year because tourism has been hit hard by the political and economic crisis in Yugoslavia.

Communists win by-election

Hungary's former Communist Party won the first parliamentary by-election since general elections a year ago ended four decades of Communist rule, provisional results showed yesterday, Reuter reports from Budapest.

The party, now called the Hungarian Socialist Party (HSP), captured a seat in Budapest from the Alliance of Free Democrats (AFD), the largest opposition party.

HSP candidate Mr Pal Fillo took over 38 per cent of the vote on Sunday compared with 25 per cent for the AFD and 16 per cent for the Hungarian Democratic Party which heads the government coalition.

Opposition parties won just under 70 per cent of the total vote but the turnout was only 26 per cent of the electorate.

Soviet scientists work to improve Chernobyl-type reactors

By David Fishlock, Science Editor, in Paris

THE SOVIET UNION will not abandon the type of nuclear reactor that exploded at Chernobyl five years ago, but is developing the design for a second-generation reactor of the same type with western safety features, including reinforced concrete casing.

It is also planning to rebuild the so-called sarcophagus casing assembled in haste in 1986 to entomb the stricken reactor, according to Soviet nuclear executives.

The Soviet experts were addressing a joint conference organised by the Soviet and French nuclear industry in Paris yesterday on lessons learnt from the accident.

Building of Chernobyl-type reactors was frozen after the disaster, but a new building programme of second-generation reactors is now being confidently forecast.

Mr Nikolay Ponomarev-Stepnoy, from the Kurchatov Institute of Nuclear Energy in Moscow, said that although Chernobyl was a terrible accident that shook the world, "without nuclear energy we cannot develop our economy." It had to be made 100 per cent safe, however.

Only 16 of the 48 of the Chernobyl-type RBMK reactors are currently operating in the USSR, running at over 90 per cent capacity and generating 48 per cent of Soviet nuclear electricity.

They now embody several safety-related changes agreed with western nuclear experts after the initial analysis of the accident in 1986.

These measures - which required no reconstruction - include using a more highly enriched fuel, more safety rods, and faster and more effective shutdown systems, including one that responds in only three seconds, reported Prof Eugeny Adamov from the Kurchatov Institute.

They are still trying to unravel precisely what happened in the accident and have 13 possible scenarios to explain events.

More details of these scenarios are expected to be revealed by the final report of the International Atomic Energy Agency on the accident and its consequences next month.

The Soviet nuclear industry is now focusing on two new features for a second-generation RBMK, says Professor Adamov. It will have a casing to prevent release of radioactivity in a serious accident, as the containment did at the US accident at Three Mile Island in 1978. It will also have a mechanism for venting steam if several pressure tubes should fail, as may have happened at Chernobyl.

The industry is also focusing on a better quality of staff for nuclear operations, with a smaller workload, Prof Adamov said.

A special organisation with about 2,000 staff has been recruited to safeguard the sarcophagus at Chernobyl, reported Dr Alexander Borovoy, chairman of the Chernobyl Nuclear Institute.

The sarcophagus contains 180 tonnes of nuclear fuel, including over 400 kilograms of plutonium, and was designed to survive for 20 to 30 years and to withstand hurricanes and earthquakes.

It is now believed that about 15 tonnes of the fuel is present as a fine radioactive dust which could leak from the sarcophagus.

There is no immediate danger, Dr Borovoy reported, but there are worries that it may become a danger again within another 7-10 years. The institute is studying schemes for enhancing its safety, including one that proposes to fill the entire tomb with concrete to seal it against radiation leaks.

The institute had virtually agreed on a broad programme of research and development relating to the sarcophagus and hoped that other nuclear industries would participate, he said.

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WORLD TRADE NEWS

Brazil and Iran discover ideal partnership

By Christina Lamb in Brasilia

AT the time of Saddam Hussein's invasion of Kuwait last August Brazilian officials were, with remarkable foresight, already negotiating a deal to replace Iraq with Iran as the country's second largest oil supplier.

Both sides insist the timing was mere coincidence but once the UN sanctions were announced outlawing commerce with Iraq, Brazil knew exactly where to look to substitute its major trading partner in the Middle East.

Results were immediate. Last year Brazil's exports to Iran rose by 50 per cent to \$425m – 40 per cent of its sales to the Gulf region – while those to Iraq dropped 68 per cent to \$110m. This year Brazil is expecting an even greater rise. Mr Marcos Azambuja, director general of the Brazilian Foreign Office, says: "It has proved easier than we thought to replace the Iraq market. Our whole strategy now is to make Iran our major Gulf partner."

There is more at stake than simply sales of food and raw materials. Last October Mr Ozires Silva, Brazil's then infrastructure minister, led a mission of businessmen to Tehran to offer expertise for the reconstruction of Iran after eight years of war with Iraq and the building of an industrial complex near the mouth of the Hormuz Strait.

The Brazilian mission was given a red carpet welcome including meetings with 12 ministers. Brazil's role as a big arms supplier to the opposite side during the Iran-Iraq war was forgotten with the signing of a second oil contract for a further 100,000 barrels per day making a total of 220,000. Officials came back with the news that Brazil could capture \$12bn in contracts over the next five years both from the Iranian government and private sector.

In many ways it is an ideal partnership. Brazil's perceived fencesitting during the Gulf war has ruled out any hope of it gaining contracts in Kuwait though Mr Azambuja insists "the Brazil-Iraq connection was overblown". Iran's still uneasy relations with the US and Europe means Brazil with its considerable experience in large development projects is the perfect solution.

Already this year Brazil has welcomed eight Iranian missions including the ministers for mining, energy, heavy industry and agriculture, all dangling large contracts for the construction of steel and sugar mills, roads and railways and hydro-electric projects.

It is not just talk. Although last year Brazil was in deficit in trade with Iran because of escalating oil prices, since October an estimated \$800m of export contracts have been signed for the supply of sugar, steel, food and ten Tucano trainers. Agromachinery makers Caterpillar and Maxion have signed accords and two of Brazil's biggest capital goods producers, rivals Zanini and Dedini, have joined forces to build sugar mills in Iran. Construction company Andrade Gutarriez is expected to soon sign a \$350m contract to build a \$1.4bn hydroelectric dam in consortium with Siemens and the Soviet company, Technopromoexport.

Chile makes US free trade pact a top priority

Few practical obstacles stand in the way, writes **Leslie Crawford**, but early success could prove elusive

CHILE is worried that its chances of reaching a Free Trade Agreement (FTA) with the US may be scuppered if Mexico's trade negotiations with its northern neighbour get bogged down over labour and environmental issues.

Reaching an FTA with its biggest trading partner has become Chile's foreign policy priority. Santiago has even snubbed the overtures of Brazil and Argentina to form a regional common market in order to concentrate on its partnership with the US. But after the euphoria that greeted President George Bush's Enterprise for the Americas Initiative last June, a new mood of realism has begun to take hold in Santiago.

US officials are asking Chileans to be patient. If Congress grants President Bush an extension of fast-track authority for trade agreements, Mrs Carla Hills' small team of trade negotiators will be overstretched in just trying to conclude the stalled Uruguay Round of talks under the General Agreement on Tariffs and Trade and launching the Mexican negotiations.

Mr Bush also included his Americas Initiative within the fast-track petition, but his aim to create a free trade area from Alaska to the Antarctic remains a distant priority.

There are those within the State Department, however, who do not want to see the Americas Initiative lost to the realm of good intentions. "The concept of free trade needs successes," said one western diplomat in Santiago, "and the US must begin with countries like Chile, which are ready for it."

'Without a free trade accord with Chile, Bush's Enterprise for the Americas Initiative is dead'

There would be surprisingly few obstacles in the path of a US-Chilean FTA. Their economies are complementary – Chilean fruit, for instance, does not compete with US produce as it is exported during the northern hemisphere's winter months. Chile already operates the most open foreign investment regime in Latin America and it recently passed a law to protect intellectual property rights to appease US pharmaceutical companies.

The greatest beneficiaries of an FTA in the US would be mining equipment companies, which would gain a competitive edge over their European and Japanese rivals in the race to supply almost 100 major mining projects being developed in Chile. Contracts for equipment could run into several hundred million dollars over the next four years.

Chile hopes that an FTA would accelerate its export-driven growth. Two-way trade last year reached \$2.84bn – 18 per cent of Chile's foreign commerce. And even though Chile recognises that it is only a tiny market for US goods, it is playing strongly on the Bush administration's need to have a success in the region.

"Without a free trade accord with Chile, Bush's Enterprise for the Americas Initiative is dead," one Chilean official commented.

Within Chile, there is strong support for an FTA with the US. The American Chamber of Commerce in Santiago has set up a task force with the Confederation of Chilean Industry to co-ordinate the push for free trade. They are getting advice from Mexican businessmen who have been lobbying Washington.

Mr Danilo Lacallo, president of Esso-Chile, will be travelling to Washington next month on behalf of the American Chamber of Commerce to set the ball rolling.

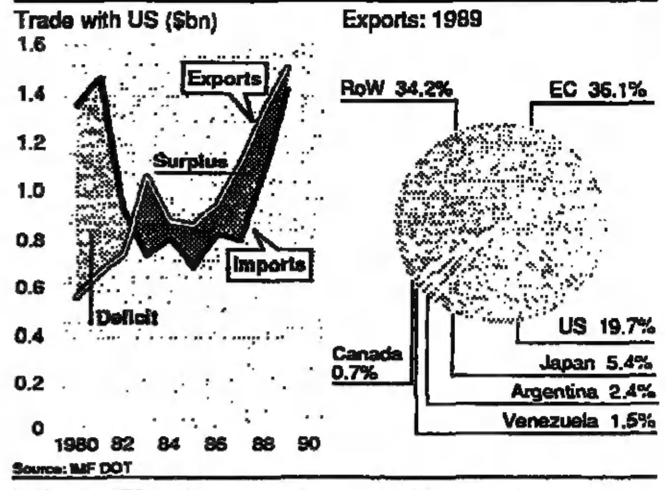
"It is all a question of timing," he says. "We have to target congressmen and employ professional lobbyists. But we also have to be cautious. If we start pushing too soon, we may create antibodies against a deal with Chile."

At the official level, Chilean and US trade negotiators will meet twice this year, in May and in November, for consultations on which trade barriers ought to be tackled and which special interest groups mollified. This forms part of a framework agreement on free trade which was signed by Mr Alejandro Foxley, Chile's finance minister, and Mrs Hills, the US trade representative, last October. US officials believe that the outlines of an FTA could be ready by the end of this year.

Chilean officials know that they must then bide their time and pray for the Mexican negotiations to be successful. But if stumbling blocks arise there, they hope that Washington will open up an avenue to allow trade talks with Chile to be conducted simultaneously.

● Chile will abolish all tariffs on trade with Mexico and Venezuela by 1994, deputy Chilean economy minister Jorge Marshall has announced, Reuter reports from Santiago.

Chile



Source: IMF DOT

Bush could lose vote on 'fast-track' negotiating authority

By Nancy Dunne in Washington

OPPOSITION to President Bush's proposed North American Free Trade Agreement has grown to the point that his request for the extension of the "fast track" negotiating authority could be defeated in either house of Congress.

A coalition of labour, environmentalists, consumer groups, farm and church organisations has been lobbying for months against the "fast track" which gives the administration power to negotiate trade agreements that Congress cannot amend. However, the "fast track" can be defeated if one house votes against it.

The administration is so concerned that President Bush last week launched a fierce attack on the opposition labelling those against the FTA "fear mongers" who practise "defeatism."

Yesterday, he warned that if he loses the fast track vote, "we lose trade, we lose jobs and jeopardise economic growth; we unleash horrifying new waves of protectionism."

Mr Mark Ritchie, one of the opposition leaders and president of the Institute for Agriculture and Trade Policy, said at least 37 senators were almost certain to support a resolution killing the "fast track", introduced by Senators Fritz Hollings of North Carolina and Kent Conrad of North Dakota.

Another 28 senators are undecided. "We just have to get 14 more to defeat it," Mr Ritchie said.

However, the opposition is divided over tactics. Some are moving to split the resolution to defeat the fast-track request for the FTA but retain it for the Uruguay Round of the General Agreement on Tariffs and Trade (Gatt). In the House, there is widespread confidence that the FTA could easily be defeated if the two issues are separated.

President Salinas of Mexico last week urged approval of the FTA and promised to address concerns about environmental enforcement and Mexican labour practices. Business groups trooped up to Capitol Hill to extol the benefit of an agreement which would create "the largest market in the world" with 360m consumers and \$6,000bn output.

Administration officials contend that defeat of the "fast-track," would kill the Uruguay Round.

The opposition, led by the AFL-CIO, one of the main trade union groupings, says it does not oppose free trade with Mexico. It calls the "fast track" device "undemocratic" and wants more Congressional control over the negotiations. It has little confidence in promises by the administration that few US jobs will be lost and that concerns about food safety and labour practices will be addressed.

Unions contend that the White House is pushing the Mexico FTA because it helps big businesses that will profit by cross-border moves. The argument plays well in public at a time of rising US unemployment.

In the end, the administration may seek a compromise to save the more than four years of work on trade reform in the Uruguay Round talks.

Toyota may sell VWs in Japan

By Robert Thomson in Tokyo

TOYOTA is negotiating to sell Volkswagen vehicles in Japan in expectation of strong demand for imported models.

The negotiations come as EC representatives consider import levels for Japanese cars after 1992, and despite a fall in sales of imported vehicles in Japan this year, after seven years of rising sales.

Foreign makers claim the Japanese market remains partly closed, while Japanese car makers want to prove that it is open and that they dominate sales on merit. Imported vehicles comprised about 4 per cent of Japan's car and truck market last year.

Mr Shoichiro Toyoda, the president of Toyota, said the company had been considering a number of possibilities regarding imported vehicles, including an agreement with Volkswagen. However, he said nothing had been decided.

Volkswagen and Audi have been among most successful of exporters to Japan, but their sales have also declined this year. In March they sold 6,105 vehicles, down from 7,264 in March last year, while sales of imported cars last month totalled 21,892 units, down from 25,727 a year earlier.

Toyota said the extent of the sales link-up would depend on the willingness of Toyota dealers in Japan to handle foreign cars and that would be determined by their expectations of sales.

NEWS IN BRIEF

Italian group wins Boeing contract

Italian state-controlled aerospace and defence group Alenia has won a \$900m contract with Boeing to supply wing flaps for its new medium to long range airliner, Reuter reports from Rome.

Alenia said the contract covered the first 500 sets of the 13-metre flaps which would be designed and produced by the Italian company. The agreement calls for the eventual supply of 1,000 sets, the company said.

The Boeing 777 is due to come into service in 1995.

Germans order giant press

Deutsche-Airbus, the German aerospace group, has ordered the largest metal forming press of its kind from GEC-Alsthom, the Anglo-French power equipment and engineering joint venture, writes Charles Leadbeater, Industrial Editor.

The £3m order is for a 1,500 tonne press, to form 12 metre by 3 metre aluminium titanium alloy sheets used to make aircraft fuselages and wings. The investment in the press, which will be manufactured at ACB, the GEC-Alsthom subsidiary based at Nantes in France, is a signal of Deutsche Airbus' growing determination to expand its activities.

EC puts duties on welded tubes

The European Community is to impose permanent duties on imports of cut-price welded metal tubes from Turkey and Venezuela, Reuter reports from Brussels.

The Commission said anti-dumping duties had been put into force last year on a temporary basis but they would now apply indefinitely. "In view of the seriousness of the injury caused to Community producers," the price of imports from Turkey would be increased by a duty of 18.5 per cent and those from Venezuela by 22.1 per cent for an indefinite period, it said.

Shell heads pipeline consortium

Deutsche Shell said yesterday it was heading a consortium to build a pipeline from western to eastern Germany for refined petroleum products and chemical feedstocks, AP-DJ reports from Frankfurt.

According to the plans, the pipeline will run 450km from the German refining centre of Hamburg, through Lower Saxony and to Dresden. The pipeline should begin operations in 1994 or 1995, and cost DM600m to DM700m. Shell said that demand for refined oil products in eastern Germany was likely to double by 2000.

Malaysia clash with Australia over tariffs

By Lim Siong Hoon

MALAYSIA has criticised Australia for blocking the entry of Malaysian-made car batteries.

Ms Rafidah Aziz, the international trade and industry minister, said the high duties imposed on the batteries, supposedly on anti-dumping grounds, were arbitrary and amounted to a trade barrier. She said Malaysia would take up the issue under the General Agreement on Tariffs and Trade.

The Australian government recently announced that tariffs on cars, for instance, were to be reduced from 35 per cent in 1992 to 15 per cent by 2000. But Mr Bob Hawke, the Australian prime minister, also warned foreign producers he would take tougher anti-dumping measures and agreed to phase out preferential trading arrangements with countries like Singapore and Taiwan.

Malaysia's prime minister, Dr Mahathir Mohamad, has high hopes of building up the motor industry. By promoting an extensive motor parts manufacturing network through incentives such as tax holidays, and by raising local content in cars to between 60 and 80 per cent, Malaysia hopes to be a significant exporter by 1998.

The Malaysian complaint over the batteries adds to a growing list of disputes which led to the suspension of senior level official contacts since early this year.

Iraq refugees start to panic as US troop pullout nears

By Mark Nicholson in Safwan, southern Iraq

REFUGEES in southern Iraq yesterday displayed their growing alarm at the departure of US forces in the area by staging demonstrations to call for a permanent UN solution to their plight – or continued US protection.

The protests came as Major General Gunther Greindl, the Austrian head of the UN peacekeeping force in Kuwait and Iraq, arrived in Baghdad for discussions on the transition to UN supervision of the border area.

The refugees' protests served to underline the headaches the 1,440-strong UN force will face when it gradually takes up duty on the border area, sometime within the next two weeks.

The most immediate problem for the 34-nation peace force is the two large refugee camps it will inherit on the Kuwait-Iraq border, one run by the US army and the other by the Kuwaiti Red Crescent, which together hold at least 15,000 Iraqis.

Few if any formal arrangements appear to have been made for any transition of supervision at the camps - which receive daily supplies of water and boxes of food from the US army.

Major Tom Grubb, the US Civil Affairs officer running the US camp says: "You'd have thought someone from the UN or the Red Cross would have thought to talk to me about things, but they haven't yet."

Uncertainty in both camps has created a mood of fractiousness, as the Iraqis become anxious to the point of desperation that the departure of the last US troops will leave them unprotected against President Saddam Hussein's forces.

Aware that Kuwait will refuse them entry, hundreds of refugees have in the last few days taken to the desert in a further flight, braving thousands of unexploded allied bomblets which litter the area and have already claimed five of the campdwellers' lives.

One refugee said most would do all they could to resist returning to Iraq – apparently pinning hopes on the UN's ability to create a completely neutral zone to embrace the camps, which US military maps show to lie within Iraq's borders.

Others echoed this. "People will lie under tanks to prevent them leaving," said Mr Hamid Ali, an refugee working as a nurse on the US army-run camp. Most refugees said they wanted a "UN solution" to their plight, though this appeared generally to amount to being offered political asylum en masse in the west.

The UN peacekeepers will also find themselves in the midst of increasingly tense relations between campdwellers and the local townsfolk of Safwan – and indeed between pro and anti-Saddam factions within the town itself.

US military police units have been maintaining daily patrols through Safwan since the sudden influx of refugees more than a month ago sparked fights, thefts and even arson in the poor, bombed and flyblown border town.

Baker heads for Israel in bid for peace talks

By Hugh Carnegy in Jerusalem

MR JAMES BAKER, the US secretary of state, will return to Israel shortly for the third time in less than two months to pursue his efforts to convene a Middle East regional peace conference, Israeli officials said yesterday.

Mr David Levy, the foreign minister, told the Israeli parliament Mr Baker's return – expected next week – was a good sign which showed his efforts to achieve a breakthrough in the Arab-Israeli dispute were not in vain.

Key issues in further talks with the US will include Mr Shamir's refusal to halt Jewish settlement in the occupied territories and how the Palestinians will be represented, both issues which could yet derail Mr Baker's peace effort.

Meanwhile Mr Yitzhak Shamir, the prime minister, will meet Mr Valentin Pavlov, the Soviet prime minister, in London today for an unprecedented meeting which underscores the steady improvement over the last two years in Israeli-Soviet relations.

Mr Shamir will tell Mr Pavlov that Israel's consent to a regional peace conference held under joint US-Soviet auspices is conditional upon Moscow first re-establishing full diplomatic ties broken off after the 1967 Six Day War. Consular relations have been restored, and there has been a number of meetings at the level of foreign minister, but Israel is anxious to complete the process.

EC asks UN about trial for Saddam

By David Buchan in Luxembourg

EC FOREIGN ministers yesterday decided to ask Mr Javier Pérez de Cuéllar, the United Nations secretary general, about the feasibility of bringing Iraqi President Saddam Hussein to book for war crimes.

Following up an emotional plea from Mr Hans-Dietrich Genscher, the German foreign minister, it was agreed to seek ways in which President Saddam "could be called personally to account for his responsibility for invading two countries – Iran and then Kuwait, for mounting genocide against the Kurds and for the use of chemical weapons," according to Mr Tristan Garel-Jones, Britain's EC affairs minister.

Later today Mr Jacques Poos, foreign minister of Luxembourg which holds the EC presidency, will see Mr Pérez de Cuéllar at the European Parliament in Strasbourg, and ask him to examine under which legal instruments Mr Saddam might be brought to account.

Mr Garel-Jones said it was for the UN, not for the EC, to decide how the Iraqi leader might be tried – by special UN tribunal, or the national courts of a signatory country of the UN genocide pact, or even in absentia.

Iraqi-Kurdish issues are expected to figure at a meeting here tomorrow between EC foreign ministers, and their American counterpart, Mr James Baker, which will mainly focus on a possible EC role in the regional Arab-Israeli peace conference Washington is hoping to convene.

Iraqi oil refinery resumes output after three months

By Deborah Hargreaves

IRAQ'S largest oil refinery at Baiji started production this week after being forced to shut for three months by allied bombing raids in the Gulf war, according to the Baghdad newspaper, Al-Thawra.

The newspaper said the refinery in north central Iraq would reach its full capacity output of 200,000 barrels a day by the end of May after some of its installations were almost totally destroyed in the Gulf war. Allied commanders said they had destroyed 80 per cent of Iraq's oil refining capacity in the Gulf war although this figure was questioned.

The Baiji refinery should be producing 100,000 litres of petrol, 3.5m litres of jet fuel and 4.5m litres of diesel by next week, the newspaper said. Almost all oil products are rationed although the Iraqi news agency said this week that the country would be able to meet its domestic fuel needs in the next few weeks.

Iraqi oil consumption was running at 300,000 b/d before the war. The country remains barred from export by United Nations' sanctions and export pipelines through Turkey and Saudi Arabia are closed.

President Saddam Hussein was pictured on Iraqi television on Sunday at the Daura oil refinery near Baghdad inspecting reconstruction.

Gulf war cost Asian countries $1.2bn exports and remittances

By Greg Hutchinson in Manila

THE Asian Development Bank (ADB) reported yesterday that the Gulf crisis had cost its developing member countries more than $1.2bn (£670m) in lost exports and forgone foreign exchange remittances from migrant workers.

Added to that is the higher oil price after Iraq's invasion of Kuwait. That cost runs into many billions of dollars for Asia's many net oil importers, the ADB says in its annual report, released yesterday before the bank's annual meeting in Vancouver on April 24-26.

Oil exporters Indonesia and Malaysia benefited in the short run from the higher world oil prices, the report said, but for China, another exporter, "the loss of remittances and construction contracts wrote off most of the gains".

Before the Gulf crisis there has been about 600,000 Asian workers in Kuwait and Iraq. "A large number of them were later repatriated, considerably reducing the inflow of remittances and adding to the unemployment problem back home," says the ADB.

The South Asian countries and the Philippines were particularly hard hit because of their close economic relations with the Middle East. "Their problems were compounded by their big budget and current account deficits and relatively high inflation rates and debt-service ratios," the ADB report adds.

The bank estimated that the crisis had reduced India's growth in 1990 by one or two percentage points and increased its oil bill by more than $1bn.

It said the total cost of the crisis to Pakistan was close to $1bn. "These countries will need substantial external assistance to avoid stagflation and keep their balance of payments manageable."

"The newly industrialising economies (NIEs) were in a much better position than other developing member countries to absorb the shock," the 50-member bank said.

Loans and investments approved by the bank grew by 9 per cent to $4.01bn in 1990, according to the report.

Of the total operation, loans to public and private sectors amounted to $3.97bn for 57 projects. Project loans accounted for $2.2bn, or 56 per cent, of the loan volume, programme loans $820m, or 21 per cent, sector loans $441m, or 11 per cent, credit lines $411m, or 10 per cent, and direct private sector loans $79m, or 2 per cent.

Japanese stifle a yawn at Gorbachev visit

By Stefan Wagstyl in Tokyo

WELL BEFORE Mr Gorbachev was due to arrive in Tokyo today for his first-ever visit to Japan, most Japanese had been cured of Gorbymania.

The craze for Gorbachev look-alike dolls, for holidays in the Soviet Union and books about perestroika passed about a year ago. Department stores, which normally mark the visit of foreign dignitaries with displays of their country's goods, are barely bothering to put on a show for Mr Gorbachev. Seibu, a leading chain, says: "Soviet things are selling rather slowly. Buyers are not interested."

One reason is a lack of suitable products: Seibu's limited range includes vodka, brandy and Soviet military watches. Another is lack of organisation: the promoters of a show of Soviet culture had to make do with a troupe of Japanese dancers after the Russian ensemble they originally hired failed to get visas in time.

Japanese politicians and journalists have tried to clothe the Soviet leader's visit with the sense of historic importance which it undoubtedly deserves.

The programme includes a banquet with Emperor Akihito and the Empress, no fewer than three meetings with Mr Toshiki Kaifu, the Japanese prime minister, a speech to the Japanese parliament and a reception for 2,500 VIPs. The Soviet leader is to present a medal to Mr Akira Kurosawa, the internationally acclaimed film director.

Newspapers have been filled with long accounts of the territorial row which has blighted relations between the two countries since 1945. Around 8,000 journalists have been despatched to cover Mr Gorbachev's every move. Japanese television plans blanket coverage of the trip, interspersed with film of the bleak islands off northern Japan which are at the heart of the territorial dispute.

Yet the average Japanese does not expect much to come out of the visit. According to a poll by NHK, the national television station, only 7 per cent of people believe there will be a great change in bilateral relations. Even nationalist groups which have been protesting for years about the disputed islands do not attach great significance to the trip. They planned a modest demonstration for 2,000 people, well away from anywhere Mr Gorbachev might see them.

In a strange way, foreign ministry officials are quite pleased Mr Gorbachev has not caused a greater stir. The Soviet leader is not expected to bring with him an immediate settlement of the territorial question; at best he may promise to start looking for a settlement. Japanese are wise not to be swept off their feet by the mere sight of the great man.

Suffering and betrayal in Mogadishu

Julian Ozanne reports that Somalis believe the outside world has abandoned them

MOGADISHU has been devastated by the war, particularly the heavy tank and artillery shelling unleashed indiscriminately in January from Villa Somalia. Few buildings remain unmarked by bullet or grenade fire. Almost every home and factory has been gutted in an orgy of looting.

The Mogadishu abbatoir recently constructed with Italian aid money has been disembowelled. Cables were ripped out, walls and corrugated iron sheets torn down and useless hunks of metal machinery carried off by looters.

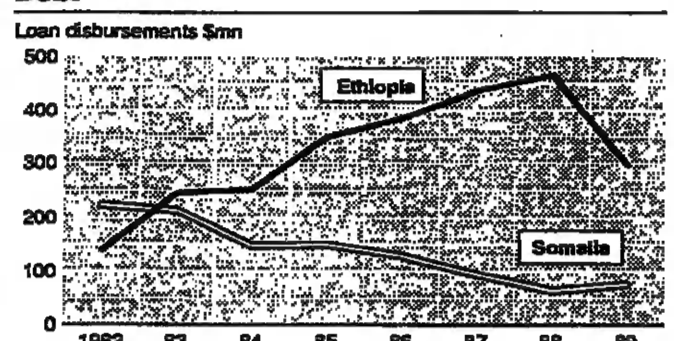
Help is desperately needed. But when the war broke out foreign governments, United Nations organisations and aid agencies scrambled out of Mogadishu as fast as possible. Only Médecins Sans Frontières, Save the Children Fund UK and the Red Cross have returned with a few expatriates and minimal supplies.

Food, fuel, drugs and water are extremely scarce. Fears of an outbreak of cholera, measles and malaria epidemics are rising with the approach of the rains later this month.

"The world has put a humanitarian embargo on us," said Mr Nurelmi Osman, the acting Health Minister. "We are asking for food and drugs not guns, for tents not tanks. People are suffering. It will be a disaster."

Debt

Loan disbursements $mn



Source: World Bank

Somalis feely deeply betrayed by the desertion of the international community, particularly the US and Italy which for years shored up the regime of former President Mohammed Siad Barre with guns and money. And Somalis have showed their anger the Mogadishu way.

The US embassy, recently finished at the cost of $40m (£22m), was completely wrecked and looted. So was the Catholic Cathedral where the friezes of Christ and the Madonna were sprayed with bullets, the roof torn off and the marble font and altar destroyed. "Italy was a very bad people because they like Siad Barre," is scrawled in black paint on one of the walls.

"Our society is deeply demoralised by the actions of Italy and the US government," said Miss Mariam Arif, a businesswoman from the Hawiye clan, the overwhelming majority in Mogadishu which suffered most at the hands of Mr Barre's security forces. "They have abandoned us and left us flat. What did the innocent suffering people of Mogadishu do against them?"

United Somali Congress officials say an Italian government delegation lead by Mr Umberto Plaja promised emergency help to repair the communications system but has failed to deliver.

They also accuse Kenya of directly supporting the Darod clan (Mr Barre's rule favoured his own Marehan tribe, a sub-clan of the Darod). They say Kenya gave the Darod military aid and blocked relief flights to Mogadishu because of links between senior military figures with the Darod clans, business ties and a fear in Kenya of having a multi-party system on its borders.

Foreign governments deny that they are supporting the Darods. But they, and UN agencies, excuse their lack of humanitarian assistance saying they cannot yet recognise the provisional United Somali Congress government and that Mogadishu is too insecure.

"That's bullshit," said Mr Willie Huber, the Somalia representative of SOS, an international aid organisation, who stayed in Mogadishu throughout the war running a hospital for the wounded.

Mr Huber, an indefatigable humanitarian, lived through the worst of the war as other relief workers fled the war-torn city. He gathered several hundred Somalis together in the SOS compound.

"I said if we stayed together we could protect each other. After that I couldn't leave. To do so would have been a crazy betrayal."

Mr Huber is now in charge of the only regular relief flights coming into the country, a Belgian Hercules C130 which flies into Mogadishu five times a week with 18 tons of food, fuel and medical supplies which SOS distributes across the city. This only link to the outside world and to regular, although meagre emergency relief, has given him a position almost as powerful and important as that of president.

But he is fighting a battle to get funding from the European Community to keep the lifeline open. And he despairs about the absence of basic assistance for the thousands of people on the brink of death. "Its a disgrace," he said.

As the international community stands by and Somalia plunges deeper into disaster, a feeling of helplessness is mounting in Mogadishu.

"What can we do," says a teenage USC member who had just driven two wounded fighters back from the front. "If we were in the Gulf it would be different but this is Africa. Nobody cares."

This is the second of two articles on Somalia. The first appeared yesterday

Mr Clarence Makwetu (left), president of the Pan Africanist Congress, with Mr Nelson Mandela, vice-president of the African National Congress in Harare yesterday. The two are trying to form a united front against the South African government

EC rejects last minute objections from ANC

S African steel and gold ban lifted

By David Buchan

EC foreign ministers yesterday ignored last minute objections from the African National Congress and the European Parliament, and lifted the 1986 ban on the import of South African iron, steel and gold coins.

Welcoming the move, Mr Tristan Garel-Jones, Britain's EC affairs minister, said afterwards that "as reform is moving ahead in South Africa, we could start moving ahead by looking at whether sports restrictions and certain 1985 sanctions, such as on the sale of crude oil, could be removed".

British restrictions on sporting contacts with South Africa were agreed with the Commonwealth, while most of the 1985 measures, mainly the sale of military and police equipment, are authorised by the United Nations.

The European Commission has already stepped up aid which amounted to Ecus 120m (£82.8m) in 1986-90 to Ecus 60m this year for economic projects to help South African blacks.

The EC decided last year to lift a voluntary ban on investment in South Africa, and to remove the other 1986 measures, the bans on iron, steel and gold Kurgerrands, once Pretoria had tabled legislation scrapping the main pillars of apartheid - the Group Areas and Land Acts. This condition has now been met.

The removal of the sanctions was approved unanimously despite protests from the ANC, South African trade unions and the pro-sanctions majority in the European Parliament. The latter sought to be consulted first by the Council of Ministers, even though that is not required under the EC treaties.

The ministers thus proved bolder than the European Commission,which decided on March 26 to ask for repeal of the 1986 sanctions, but kept their request quiet, out of an evident desire to avoid trouble with the European Parliament, whom Mr Nelson Mandela, the ANC deputy leader, addressed last year, and an embarrassing contrast with the US. Congress has tied any lifting of US trade restrictions to the freeing of all political prisoners.

● EC foreign ministers agreed yesterday to ship an extra 400,000 tonnes of food to the Horn of Africa by the end of next month to stave off famine there.

The Commission had told ministers that some 17m people face starvation. Mr Tristan Garel-Jones, EC affairs minister of Britain, said the UK had announced an extra £33m in aid, on top of £30.5m given since last September.

Europe's non-governmental aid organisations said the moves were inadequate. Some 750,000 tonnes was needed urgently to help some 30m people in the Horn, where in parts of Eritrea and Tigray stocks will be exhausted in three to four weeks.

Japanese wholesale prices up 1%

Japan's wholesale prices rose 1 per cent in March from a year earlier on the temporary effects of a weaker yen, but the underlying trend is still toward moderating inflation, economists said yesterday, Reuter reports from Tokyo.

Japan's closely watched wholesale price index (WPI) rose 0.1 in March from a month earlier, and 1.0 from a year earlier to 91.3, the Bank of Japan reported earlier.

The inflationary impact of a weaker yen during March offset the effect of lower import prices resulting from weaker oil prices, economists said. The dollar/yen rate averaged Y137.10 in March compared with Y130.49 in February and Y153.11 a year earlier.

"The falling yen would be seen as a temporary phenomenon. With imported oil prices stabilising at around $19 a barrel, I think WPI is likely to stay within stable bands," said an economist at Nomura Research Institute. But he said attention should be paid to any rise in distribution costs.

Thai unions law

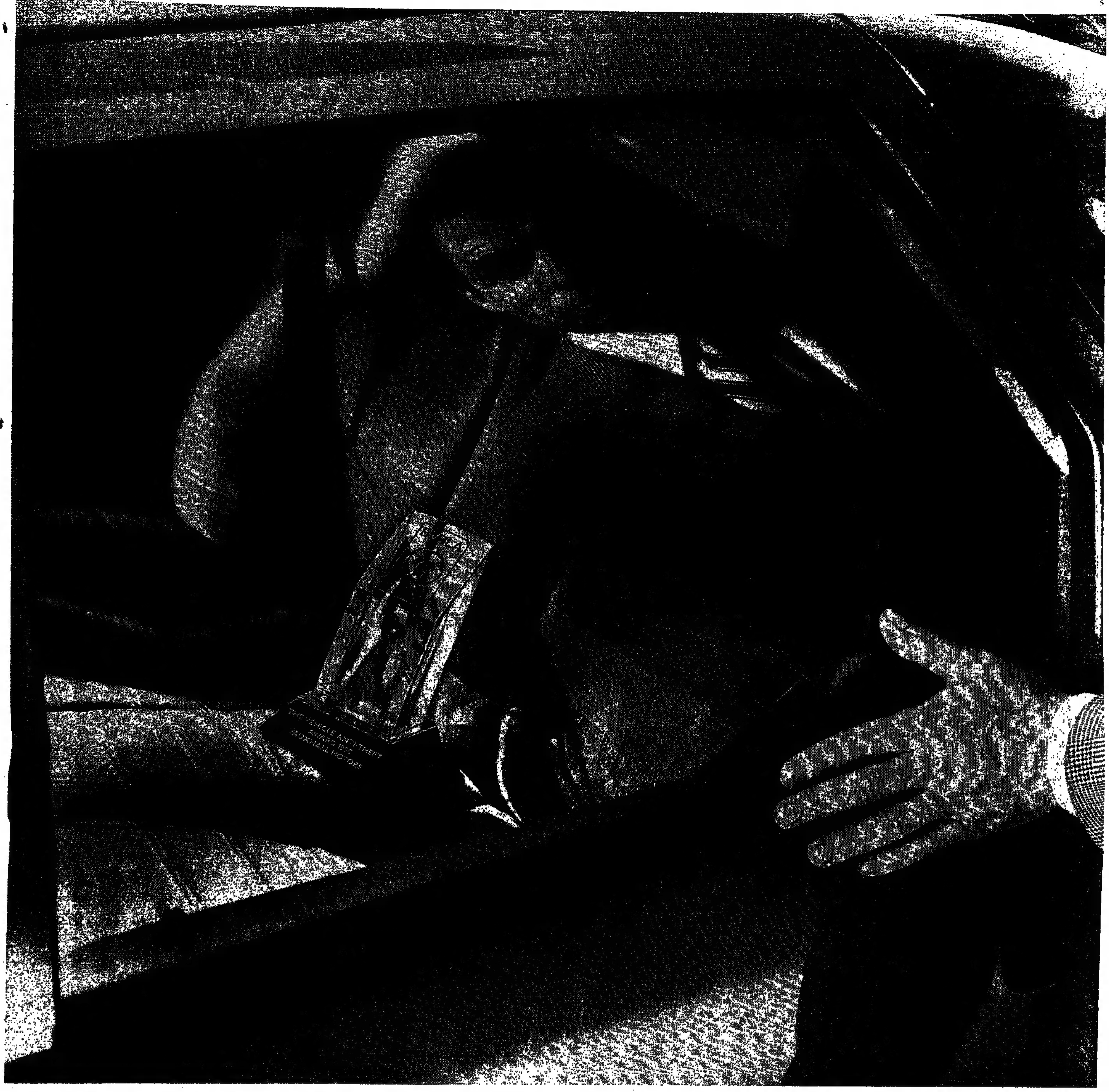
Thailand's military-dominated legislature has passed amendments to labour laws that in effect disband labour unions at state enterprises, Reuter reports from Bangkok.

Sudan junta sacking

Lt-Gen Omar Hassan al-Bashir, the Sudanese leader, has sacked two members of his ruling junta from key posts, Reuter reports from Nicosia. Both men had reputations as Moslem fundamentalists.

Afghan open door

Afghanistan has offered Afghans who fled civil war the right to return home with the option of leaving again if they do not like what they find, Reuter reports from Islamabad.



OTHER MANUFACTURERS WOULD LOVE TO GET THEIR HANDS ON IT.

Auto-theft is the commonest crime in Britain. Figures show that a car can be broken into in less than 30 seconds. And that a car is stolen every 19 minutes.

So is anyone doing anything about it?

According to a panel of senior police, motoring writers and insurers, at least one manufacturer is.

For the third year running, they've given the BVRLA Anti-Theft Award to Vauxhall.

It wasn't just our new deadlocks, burglar alarms, coded CDs and radios that impressed them. It was our attitude.

We believe features like these should be built in at the factory, not bolted on later.

We also believe that other car makers should follow our example in collaborating with the police on setting up crime data bases, vehicle watch schemes and theft surveys.

Who knows, with a few more ideas such as these, one day someone might well pinch our award from us.

VAUXHALL

Court threat to Brazil's inflation fight

By Christina Lamb in Brasilia

THE Brazilian government's battle against inflation is threatened by regional court decisions declaring unconstitutional its seizure of 80 per cent of the nation's assets and savings in March last year.

In the first few months following the freeze many companies succeeded in liberating their funds, out of an estimated $80bn blocked. However, the government still holds 6.4 trillion (million million) new cruzados – about $28bn or the equivalent of 6 per cent of gross domestic product. It is committed to start paying this back in 12 monthly payments from September 16.

However, in the last two weeks courts in Recife and São Paulo have ruled unanimously that the freezing was unconstitutional and that the money should be paid back immediately. Courts in Rio and Brasilia are expected to follow suit.

Polls show that the majority of the population is sceptical of the government's promise to start paying back the frozen funds in September.

Thousands of people have already succeeded in gaining access to their money through individual court actions – according to the central bank's legal department there are 40,000 cases pending. The recent regional court decisions means the process is speeding up.

The central bank, fearing the explosion in the monetary supply that would be caused by having to repay all the money at once, is to appeal to the Supreme Court.

"This money is equivalent to 50 per cent of total current money supply," said Mr Luis Eduardo de Assis, the bank's head of monetary policy. "Obviously if we have to pay it back instantaneously instead of the gradual programme we intend it would have an immense impact and lead to a big increase in inflation."

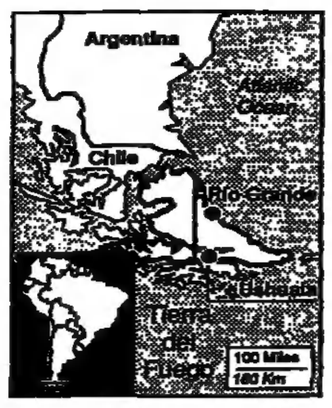
It is not clear the Supreme Court will rule in the government's favour but Brasilia at least hopes to delay a decision. Mr Marcio Moraes, one of the São Paulo judges, said the blocking was an act of force not a legal act.

"If it had been done by an individual it would be robbery. As it was done by the government it is a crime against the constitution."

Argentine ambitions founder off Tierra del Fuego

John Barham on an ill-conceived scheme to promote industrial development at the ends of the Earth

IN 1972 Argentine strategists announced that security and geopolitical priorities made it essential to establish a large permanent settlement on the remote island of Tierra del Fuego, which is divided between Argentina and Chile. They decided to establish a duty free zone and offered tax incentives to attract industry.



Nineteen years and millions of dollars later, the ill-conceived plan is finally being abandoned as Argentina embraces free trade. As a result, Ushuaia and Rio Grande, the population of the island's only towns, are shrinking daily.

Ushuaia, a port of about 30,000 people set between the Beagle Channel and the southernmost ranges of the Andes, became home to five screwdriver plants notorious for their poorly crafted and overpriced consumer durables. Now, the end of incentives and the advent of trade liberalisation could spell the end for the factories and the 5,000 jobs they provide.

Mr Hugo Iglesias, general manager of Bencer SA, Ushuaia's largest company, said "if our protection from imports is ended I would say it spells the end for the economic development of Tierra del Fuego. Companies will implode." Recession has already reduced sales severely and most factories operate at only 20 per cent of capacity.

If the industrialisation of Tierra del Fuego made little economic sense, it has at least eased the worries of Argentina's military planners. Strategists in Buenos Aires have always been anxious to settle Patagonia and Tierra del Fuego because they suspect Chile covets the under-populated but resource-rich region.

Hardy Chilean immigrants, who do the menial and labouring jobs the Argentines refuse to do, have always been in a majority. At one time about 90 per cent of Argentine Tierra del Fuego's population was Chilean. Now it is estimated at "only" 60 per cent.

In 1978 the two countries, then run by right-wing military governments, almost went to war over control of the Beagle Channel.

The immediate "threat" from Chile faded following Argentina's acceptance in 1984 of Papal arbitration awarding three minuscule islands in the Beagle Channel to Chile.

However, Argentine Tierra del Fuego is trying to assert a new strategic importance as the focal point of Argentina's territorial claims in Antarctica and the South Atlantic.

Formally, Tierra del Fuego has "jurisdiction" over a region covering 495,000 square miles, which includes the Falkland Islands, three other British-held island groups in the South Atlantic as well as a section of Antarctica. Maps of the region carry the legend "Tierra del Fuego – geographical centre of a country we must consolidate."

However, the virtually insolvent government in Buenos Aires has little time for Tierra del Fuego's territorial ambitions. It can no longer afford to sustain the expensive and notoriously corrupt incentives schemes.

On April 1, the duty free zone became practically meaningless when the government replaced formerly insurmountable trade barriers to imported electronic goods with a single 22 per cent tariff as part of a general trade liberalisation policy. Overnight, Tierra del Fuego was priced out of the market.

A 20-inch television set made on the island retailed in Buenos Aires for $855 (£483). A similar set imported from Japan and sold in the Chilean half of Tierra del Fuego, which is also a duty free zone, retails for less than half the price. Naturally, there are few homes in Ushuaia equipped with locally-made goods.

Mr Mario Muia, manager of Continental SACIF, which makes televisions, video cassette recorders and audio systems, said Tierra del Fuego "is not a good deal any more. It's practically impossible to compete with imports." Mr Muia, who admits to being the proud owner of an imported Sony stereo, warned darkly of "social disaster" on the island unless the trade policy was reversed.

However, Mr Domingo Cavallo, economy minister, retorts that the companies have 90 per cent profit margins, and says there is scope for them to compete. Less charitable observers say the companies made even larger profits by manipulating the incentive regulations.

There is little else to sustain the island's economy. Buenos Aires, its only market, lies thousands of kilometres away at the other end of a highway which includes long stretches of rutted and potholed dirt roads that are closed for weeks in the winter. Most of the island's food is sent from Buenos Aires, although it is fertile and its waters abound in fish.

If the screwdriver plants do close, what will become of Tierra del Fuego? Before, it was home to thousands of sheep, a prison colony and a naval base. Tourism, the region's boosters say, is the obvious alternative. Indeed, on a hill overlooking the Beagle Channel, Ushuaia's first five star hotel and casino is under construction.

Bush warns of rail strike dangers

By Nancy Dunne in Washington

PRESIDENT George Bush yesterday warned that failure of the rail industry to avert a strike called for midnight tonight could "seriously disrupt" the US economy just as it was "trying to turn around and get out of this recession".

Most of the country's 235,000 freight line workers have threatened to walk off their jobs if there is no breakthrough in a three-year-old dispute over wages and health benefits. Lengthy bargaining sessions convened over the weekend by the National Mediation Board failed to produce a settlement.

The president urged labour and management to resolve their differences.

He said a report issued by a presidential emergency board, which held eight months of hearings, could provide a basis for settling the dispute.

"Because of the potential economy-wide disruption, it would be prudent that all efforts and actions be taken to avoid the strike," he said. "My administration is willing to work with the parties to help in any way possible."

Mr Bush did not, however, threaten to go to Congress which could pass a bill ordering the strikers back to work. While he did not specifically threaten legislative action to block a strike, he implied that the recommendations of the emergency board could be imposed if the parties failed to resolve the dispute voluntarily.

A walkout would affect all Americans as well as the hundreds of thousands of rail workers, since the rail industry transported a third of all goods sold in the US, Mr Bush said.

Union officials said talks appeared stalled between two key unions – the Brotherhood of Locomotive Engineers and the United Transportation Union – and railroad management.

A total of 11 unions are at loggerheads with railroad management.

Campaign delayed release of hostages, says former aide

A FORMER White House aide said he had learned that the election campaign chairman for Mr Ronald Reagan helped to negotiate a secret deal with Iran to delay the release of American hostages until after the 1980 US presidential election, Reuter reports from New York. Mr Gary Sick, who was a member of President Jimmy Carter's administration and on the staff of the National Security Council from August 1976 to April 1981, made the comment in an article published yesterday in The New York Times.

The article revived persistent but unproven accusations of a deal engineered by Reagan's 1980 presidential campaign to prevent the release of the US embassy hostages in Tehran that would have benefitted Mr Carter's re-election effort. Iran freed the 52 hostages on January 20, 1981, the day Mr Reagan was inaugurated as president in succession to Mr Carter.

Mr Sick said he had heard that a secret deal was discussed during two meetings between Mr William Casey, who headed Reagan's election campaign, and Mr Hojatoleslam Mehdi Karrubi, an Iranian cleric representing Iranian leader Ayatollah Ruhollah Khomeini, in a Madrid hotel in July 1980.

Ashley Ashwood

NICARAGUAN President Violeta Chamorro, above, arrived in Washington yesterday for a three-day visit, facing doubts among some critics about her policy of reconciliation with the country's former rulers, the Sandinistas, AP reports from Washington.

Mrs Chamorro will speak to a joint meeting of Congress today and meet President George Bush tomorrow. Also on her schedule are meetings with leaders of international financial institutions. Mrs Chamorro is trying to obtain financial aid to resurrect her nation's economy, which was demolished after almost a decade of civil war and the Sandinistas' failed economic policies. Mrs Chamorro has received promises of substantial assistance from the World Bank and other institutions if she is able to pay back, with help from donor countries, the arrears on Nicaragua's $360m foreign debt. Despite their electoral defeat a year ago, the left-wing Sandinistas have continued to be a force in Nicaragua, retaining control over the military and the police.

Congressional sources said some lawmakers, mostly conservatives who backed the Contra rebels during the 1980s, are expected to voice their concerns about Mrs Chamorro's policy of conciliation toward the Sandinistas during closed-door meetings this week. Those concerns are shared privately by some in the administration.

Mexico in debt for study swap

By Ken Warn

MEXICO and Harvard University have agreed a $2.9m "debt-for-scholarship" swap. Harvard will assume a portion of Mexico's foreign debt to establish a fund for Mexican students to attend the university and for Harvard students and staff to study and teach in Mexico.

Last July Harvard made a similar $5m agreement with Ecuador, the first of its kind, based on the "debt-for-nature" swaps which have funded environmental projects.

The deal was signed last week by Mexican President Carlos Salinas de Gortari during his visit to the US to promote a North American free trade area embracing the US, Canada and Mexico.

Harvard is to buy Mexican discount bonds, trading at about 68 per cent of face value. The $2m invested in the bonds will be converted into pesos at face value and subsequently into dollar accounts to fund the programme. The fund is expected to provide grants for at least 100 students and professors over the first 10 years.

Harvard president Derek Bok said the agreement was "a crucial step that will enable Harvard to increase its interaction with Mexico in order to better understand and learn from its remarkable neighbour to the south".

Croatian post tempts ex-governor

MR Rudi Perpich, former governor of Minnesota, said yesterday he could become foreign minister of the Yugoslav republic of Croatia – but only if he gets clearance from the US State Department, AP reports from Belgrade.

"I expect to get the word shortly," he said. Mr Perpich denied previous reports that he already been told by Washington whether he would forfeit his American citizenship if he took the job.

Mr Perpich was speaking from Zagreb, the capital of his native Croatia, which he has visited regularly since last November.

Asked about his qualifications for the job and whether he would be able to assist his native Croatia, promoting its political and economic image, he displayed optimism. "I know the right guys. Gorbachev lunched with me back home last June. I also lived in Vienna for three and a half years from 1979 to 1982. And I have already been engaged in getting American companies interested in making investments in Croatia."

Croatia, the second largest Yugoslav republic, ousted the communists in free elections last spring. It is striving to introduce a free-market system with foreign help. Croatian sources said Mr Perpich was one of several candidates for the job.

Chilean fears over anti-terrorist unit

By Leslie Crawford in Santiago

CHILE'S army is lobbying hard to be included in a new anti-terrorist unit, raising fears that the dreaded CNI, the secret police of former dictator General Augusto Pinochet, may soon be back in action.

The civilian government is this week expected to announce the creation of the intelligence unit, formed from the ranks of the police.

The decision to set up an anti-terrorist intelligence unit comes after four murders in as many weeks, including the assassination on April 1 of Senator Jaime Guzman, a right-wing leader and staunch defender of the 1973-90 military regime.

President Patricio Aylwin's year-old civilian government has been thrown off-guard by a surge in guerrilla revenge killings since the publication of an official report last month that was highly critical of the armed forces' human rights abuses under military rule.

The government says the new unit will be formed by Carabineros and Investigaciones – two police organisations which have often been at loggerheads. To dispel the spectre of a resurrected CNI, it says the new unit will be headed by a civilian in the interior ministry. Its actions will be also subject to parliamentary scrutiny.

But the army is mounting a campaign to be allowed in on the act. Last week, Gen Pinochet briefed several leading congressmen, senators and government ministers on the army's experience in combatting terrorism.

Retired Colonel Christian Labbe, Gen Pinochet's last government spokesman, said: "We need a centralised intelligence unit to defeat terrorism, not two or three police groups gathering bits of information. The new unit should include the military, as they have the most experience in this matter."

The army admits that it reincorporated some 2,000 secret police agents when the CNI was disbanded shortly before Gen Pinochet stepped down from power in March 1990. It says the CNI files were destroyed. The new government was left with no intelligence arm of its own.

This has led to widely different assessments of the guerrilla threat it is facing: some reports speak of a hard core of 200 extreme leftists who refused to lay down arms after democracy was restored. Others speak of up to 2,700 foreign-trained insurgents.

Two groups are known to be operating in the country: a splinter of the Manuel Rodriguez Front, which claimed Senator Guzman's assassination, and a shadowy group called Lautaro, which has progressed from Robin Hood antics (distributing condoms in secondary schools and organising armed demonstrations in Santiago's shanty towns) to bombings and killing police. Both are thought to be infiltrated by ultra-right wingers linked to the former CNI.

هدايا من الأهل

هكذا من الأصل

UK pollution standards under attack

THE GOVERNMENT came under fire yesterday for relaxing the standards that will be applied to pollution from power stations under the new Environmental Protection Act, writes John Hunt.

The final standards for emissions of nitrogen oxides (Nox), one of the main causes of acid rain, have been relaxed from those published in earlier draft guidance to the industry.

The Department of the Environment confirmed the latest guidance does specify a ceiling of 650 mg per cubic meters for Nox emissions from solid fuels at power stations – a relaxation from the 400 mg proposed earlier. But a DoE spokesman emphasised these levels are under review.

Friends of the Earth, the environmental organisation, complained that the relaxation had been done to help the newly privatised electricity supply industry.

FoE believes power stations should install selective catalysts of the type used in some plants in Austria, Germany, Italy and Japan. These remove 80 to 90 per cent of Nox at a cost of at least £33 per kw.

The standards – the first of their kind to be finalised – can be met without using the most expensive equipment. They are set out in a note by the Pollution Inspectorate.

UK utility plans telecom venture with US Sprint

By Hugo Dixon and Juliet Sychrava

BRITISH Waterways, the public utility which runs the UK canal system, has linked up with privately owned US Sprint, the third largest US long distance telecoms carrier, to develop a telecommunications network in Britain.

The joint venture in the newly deregulated UK telecoms market could present a serious challenge to the existing long distance operators, British Telecom and Mercury Communications.

The British Waterways plan follows similar moves by the privatised electricity supply industry, which is also considering investment in long distance and local telecoms markets. Last week, the chairmen of the 12 regional electricity companies and the National Grid Company discussed forming a joint-venture to apply for licences.

Both initiatives were prompted by last month's government white paper, which opened the £10bn a year telecommunications market to competition. Any company can now apply for licences to supply telecommunications services.

British Waterways and Sprint plan to invest £50m-£75m to build a trunk network which would be within 5 miles of half the UK's population. Mr David Ingman, British Waterways' chairman, said the aim would be to act as a carrier's carrier, supplying capacity to other operators such as personal communications networks and business customers.

The partners intend that GPT, Britain's largest telecommunications equipment supplier, would provide submarine cables. A final decision to proceed with the project will be taken in the next couple of months, after further assessment of the market.

The electricity industry's plans are potentially more ambitious, with one executive saying a total of £400m could be invested. The 13 companies involved are considering carrying not only telephone, but possibly television and data services.

Some regional electricity companies have not yet committed themselves to the project, because they are afraid the City will take a dim view of such early diversification.

Trade wind of change may be only hot air

Ralph Atkins talks to a minister whose policies appear to reflect old-style Thatcherism

IF CONSERVATIVES are more concerned about export promotion under their present leader than under Mrs Thatcher the difference appears to be in emphasis rather than substance.

Mr Tim Sainsbury, minister for trade, heads his list of priorities for promoting exports with the breaking down of international trade barriers and creation of the right framework for traders worldwide. Policies that any Thatcherite would eagerly endorse.

It is a free market strategy in keeping with the Department of Trade and Industry's reputation as the most Thatcherite in Whitehall but something of a revelation coming from Mr Sainsbury. Of the five DTI ministers, he is seen as being in an centrist minority of two.

His early experience was in the shadow of Mr Michael Heseltine, now environment secretary and regarded as more of an interventionist than most in the cabinet. Mr Sainsbury was his unpaid parliamentary private secretary for four years in the early 1980s.

In piloting the bill to privatise part of the Export Credit Guarantee Department (ECGD), however, he has displayed little willingness to appease Conservative and opposition Labour MPs anxious for a more pro-active export strategy. Removing much of the ECGD from the state sector is in keeping with his vision of government as merely an "enabler". If he is typical, moves away from the government policy of the 1980s lie more in tone.

Tim Sainsbury: little sign of a pro-active approach to exports

Aged 58, he is not a high-profile politician. He is careful in his choice of words and at times has the air of a school master, more at home on the DTI's ministerial settees than on the benches of the Commons.

He fondly explains ECGD privatisation in terms of a company selling "widgets", wrapping his mouth around the word as if it were a boiled sweet. Officials find he repeatedly quotes Sainsbury's, the food-store chain owned by his family, when searching for examples of business practice.

He prefers, however, the life of a minister to that of a businessman. It is a vocation rather than a job - his wealth almost certainly puts him in the category of multi-millionaire. He gave up executive responsibility at the supermarket group in 1974 but in September the family fortune was estimated at £1.57bn.

In practice, much of the headline-grabbing work of the minister for exports - including General Agreement on Tariffs and Trade negotiations (Gatt) and contracts for Kuwaiti reconstruction - has been dominated by Mr Peter Lilley, trade and industry secretary.

Nevertheless, during his first eight months in the job, Mr Sainsbury has seen "a lot of activity" on the international stage. Besides Gatt, there have been negotiations on the moves on a single European market and the spread of a European free trade area beyond the European Community.

"Before you can actually start selling anything you have got to have a framework in which you can do it," he says.

Only after that does he believe a trade minister should examine the effective use of government resources and staff - including his own role as salesman.

Recently, he announced the setting up of Overseas Trade Services, a joint body spanning the DTI and the Foreign Office. With that, there is the British Overseas Trade Board (BOTB), within the DTI, comprising 180 businessmen who advise the government.

The BOTB's forward plan, launched last month, says priorities for export promotion should remain western Europe, Japan, the Pacific Rim nations and North America.

Small and medium-sized companies in particular are to be encouraged to tackle export markets.

In the areas of "the direct working with exporters", the government runs multifarious schemes offering advice and assistance: "What kind of climate do you expect to find in New Zealand, do you tip the taxi driver in Bangkok. It's all useful stuff."

He uses international travel to get businessmen access to foreign governments and raise the profile of British business. But he is adamant that exporting is only something companies can do. "The message you are trying to get across is that exporting is not as difficult as you think it is, if you haven't tried it."

MOTOR TRADE

Gloom spreads in vehicle industry as truck sales collapse

By John Griffiths

COMMERCIAL vehicle manufacturers and importers say they are experiencing the worst UK sales collapse since the second world war.

There is a growing consensus among them that despite falling interest rates there is now little prospect of any significant upturn before 1992, particularly in the hardest hit sector of heavy trucks.

Statistics released by the Society of Motor Manufacturers and Traders (SMMT) show that March provided no relief from the gloom, with overall commercial vehicle sales down 29.14 per cent, to 22,706 from 32,043, compared with the same month ago and sales of trucks over 3.5 tonnes down 35.4 per cent.

The latest SMMT statistics provide a sombre background for the launch of the EuroCargo, the first major new heavy truck to be unveiled by Fiat's Iveco commercial vehicles subsidiary and Iveco Ford, a UK-based joint venture company with Ford.

Speaking at the EuroCargo's launch in Brescia this week, Mr Gioancarlo Boschwetti, Iveco's chief executive, warned that the downturn in the UK - "the traditional indicator of a crisis" - is starting to affect all other major European markets.

More alarming yet for truck makers is that the nearly 38 per cent drop in truck sales over the first-quarter of this year compared with the same period of 1990, follows a 25 per cent fall in the 1990 quarter compared with the same period of 1989.

Thus with sales bumping along at only one half the level of two years ago, "heaven only knows how some manufacturers are surviving", Mr Peter Foden, chairman of Cheshire-based truck maker ERF, said yesterday.

ERF itself barely survived the previous truck market downturn of the early 1980s, when sales of trucks over 3.5 tonnes fell to 44,000 from a high of nearly 80,000.

But although sales in the sector are now running at an annualised rate even lower – of 36,000 – ERF and the UK's other independent truck maker, AWD, so far have been able to avoid further retrenchment as a resulting of jointly receiving orders for several thousands trucks from the Zimbabwe government.

In terms of UK demand, however, Mr Foden said yesterday that "there is some light at the end of the tunnel - but what concerns me is the length of the tunnel. We're getting a bit of encouragement from smaller operators but the big companies are saying '1991 - forget it'; they're simply not prepared to spend and won't until 1992".

A minor consolation for the government in the SMMT statistics was that imports fell in March, accounting for only 36.15 per cent of total sales, compared with 40.12 per cent a year ago.

Sales of light vans, those mainly derived from cars, fell in March to 7,199 from a year-ago 10,505; medium vans to 10,105 from 14,082; trucks over 3.5 tonnes to 3,360 from 5,198 and buses and coaches to 256 from 376.

Car thieves prefer high-speed Fords

By John Griffiths

HIGH-performance Ford cars are up to ten times as likely to be stolen as Nissans or Volvos, according to a "car theft index" published by the Home Office yesterday at the start of National Crime Prevention Week.

Home Office officials are to meet vehicle manufacturers later this week to discuss ways of improving security in cars.

Statistics released with the index show that 494,000 cars were recorded by the police as having been stolen last year.

The thefts accounted for 11 per cent of all recorded crime, said the Home Secretary, Mr Kenneth Baker.

While most vehicle makers have not taken the attitude that vehicle security, likely safety, is not a strong selling point, Mr Baker said Home Office research had shown that three quarters of people surveyed would be willing to pay extra for built in security features – the majority of them at least £100 more.

According to the research, security was rated above appearance in importance when buying a new car.

Both Mr Baker and the Consumers' Association called for greater attention to be paid by manufacturers to making cars less susceptible to thieves.

The categories of "high risk" and "very high risk" were dominated by cars manufactured by Ford and Vauxhall, both subsidiaries of US companies.

A total of 15 per cent of all models listed in the "very high risk" category was found to have been stolen between November 1989 and the end of October last year.

GUINNESS APPEAL

Jailed brewery chief may have Alzheimer's disease

By Raymond Hughes, Law Courts Correspondent

Ernest Saunders arrives at court in London yesterday where his ill health was cited as an issue in his appeal

THE HEALTH of Mr Ernest Saunders, the former head of Guinness, could be a serious issue in appeals by him and two other men jailed last year for their part in the Guinness affair, the Court of Appeal heard yesterday.

Medical evidence is to be called during the appeals, which opened in London yesterday and are expected to last two weeks.

Mr Anthony Shaw, counsel for Mr Saunders, said the health issue was relevant to Mr Saunders' appeal against his five-year sentence and, arguably, also his appeal against his conviction.

The nature of Mr Saunders' illness was not specified in court, though reference made made to his having been seen by a neurologist. Mr Saunders' son James said outside court one possibility was that his father had Alzheimer's disease.

Mr Saunders, seen in public for the first time since being jailed last August, sat in the dock in the appeal court with one of his co-appellants, Mr Anthony Parnes, a City stockbroker, jailed for 2½ years. Both men are serving their sentences in Ford open prison in West Sussex.

The third appellant, Mr Gerald Ronson, head of the Heron group, was not in court. He was freed from Ford in February after serving just under half his 12-month sentence.

The three men are appealing against convictions and sentences resulting from their involvement in an illegal share support operation mounted by Guinness during its takeover battle for Distillers in 1986.

Mr Saunders was convicted of stealing £8m from Guinness, conspiracy and false accounting.

Mr Parnes was sentenced for false accounting and stealing £1.94m from Guinness.

Mr Ronson was fined a record £5m as well as being jailed after being convicted of conspiracy, the theft of £2.875m from Guinness and false accounting.

Mr Michael Sherrard QC, for Mr Ronson, said the jury had been very seriously misdirected about charges under section 151 of the 1985 Companies Act, under which it was an offence for a company to give financial assistance for the purchase of its own shares.

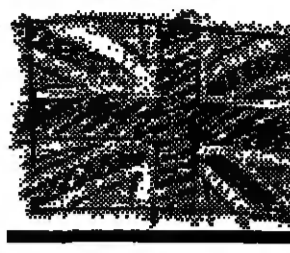
The trial judge had usurped the function of jury, directing it that section 151 offences involving dishonesty had been committed, in a situation where the issue of dishonesty had been a factor common to all the charges in the indictment.

Mr Sherrard also complained that the judge had "diminished" the evidence of Mr Olivier Roux, the former Guinness finance director and the principal prosecution witness, whose account of events had largely supported Mr Ronson's.

Mr Sherrard argued that it had been "wrong and excessive" to fine Mr Ronson as well as jail him. Jail had been "a terrible experience" for Mr Ronson, Mr Sherrard said.

The appeals continue today.

BRITAIN IN BRIEF



SIB releases first fraud case data

The Securities and Investments Board, Britain's umbrella financial services regulatory body, has carried out more than 600 investigations since it was created three years. Only four of them have led to convictions, it was revealed.

Twenty cases of unauthorised trading involving several million pounds of investors' money are at various stages of investigation or trial. Two more cases are to be tried this year.

Union numbers fall sharply

The latest independent figures on the numbers of people belonging to trade unions highlight the decline in union membership in recent years. The Certification Officer's annual report for 1990 shows an overall drop during 1989 of nearly 344,000, the largest for several years.

£50m nurseries programme

A Labour government would switch £50m a year from the spending programmes of City Technology Colleges to fund expansion of nursery education, the party announced. The principal opposition party has said it would provide a nursery place for every three or four year old whose parents want it.

CBI warns over public sector pay

Government policies which allow a form of pay comparability between the private and public sectors were attacked as "mindless indexation" by the Confederation of British Industry, the employers' organisation.

Mr John Banham, CBI director-general, also said public sector pay was rising too fast and threatening "essential further cuts in interest rates needed to get the economy moving again".

French test may cross channel

Replacement of the "A" level with a broader-based post-16 qualification is likely to be advocated by the opposition Labour party in a policy document. One option is a baccalaureat based loosely on the French system.

TV-am looks at Sky link

TV-am, the breakfast television company plans to explore links with Sky News, the 24-hour satellite news channel, after this year's franchise bids.

BA ties with Diners Club

British Airways has joined up with Diners Club to launch a charge card aimed at frequent-travelling business executives.

Diners Club hopes the card will add substantial numbers of holders to its existing base of 300,000. The card will offer advantages to those booking with British Airways, which the airline hopes will help increase its share of the business traveller market.

A High Court has ruled that all local authorities with shares in Manchester Airport, north west England, have the legal power to make loans to the airport. The decision could help finance a second passenger terminal, estimated to cost up to £264m.

Labour boss accuses officials

Supporters of Bill Morris, deputy general secretary of the Transport and General Workers' Union, claimed that his campaign for the leadership of the union was being hindered by local TGWU officials who did not want him elected. They said several campaign meetings and visits to companies were cancelled after interventions by local officials.

House market picks up

Further evidence that a slow thaw may have begun in the British housing market is provided by a survey of English and Welsh estate agents.

Home loan and savings institutions and banks have also noticed an increase in inquiries from customers about mortgage prospects.

BBC launches world TV

The British Broadcasting Corporation said its World Service Television channel went on the air for the first time on Monday. The new satellite subscription service, given the go-ahead last December, is available to more than one million homes in Europe. The BBC hopes it will be received around the world by 1993.

Lloyds makes 5% pay offer

Lloyds Bank unveiled a 5 per cent pay offer for 46,000 non-managerial staff in a move which could herald a tougher stance by employers on earnings as inflation falls. The bank also revealed that about 300 senior executives, including its seven executive directors, will receive no rise.

Gas rise 'won't cut competition'

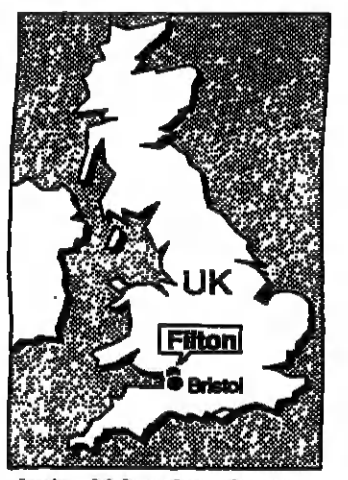
Competition in electricity generation will develop in spite of an increase in gas prices, Mr John Wakeham, the energy secretary, said following fears that the recent 35 per cent increase in British Gas prices for new contracts to supply power stations would crush the independent stations.

Bard off bill

William Shakespeare, the playwright, is to be replaced by Michael Faraday, the inventor of electrical power generation, on a smaller £20 note to be issued on June 5, the Bank of England announced. The Bank issued advanced warning to give manufacturers of banknote-handling machines time to prepare for the change.

BAe considers airport in Bristol

By Paul Betts, Aerospace Correspondent



BRITISH Aerospace (BAe) has completed a feasibility study for the development of an international airport capable of handling up to 6m passengers a year near its factory at Filton, Bristol.

The defence equipment and aircraft manufacturer, which is also studying the development of a new international airport at Liverpool, said the initial studies indicated there was a possibility of turning Filton, 122 miles west of London, into a commercial airport.

BAe was asked by the Depratment of Trade and Industry (DTI) last year to draw up a feasibility study for converting Filton into a commercial airfield.

The site already has a long runway used by large Airbus airliners. Filton is one of the plants which makes wing parts for Airbus aircraft.

The plans will now be studied by the DTI which asked airports and airfield owners around the country last year to look into possible expansion of their facilities.

The government has been looking at developing new airport outlets to help ease air traffic congestion in the London area.

BAe said yesterday a new airport at Filton would create new jobs in the area helping to offset in part the current job losses in the aerospace and defence industries. But it also emphasised that the Filton study was only at a very preliminary stage.

The BAe study has, however, already caused concern in the area with local homeowners worried about the environmental implications of developing a new airport.

Inmos chip increases its range

TWO YEARS ago, Inmos, a gifted British semiconductor company not much appreciated in its own country, was acquired by SGS-Thomson, which is ultimately owned by the French and Italian governments.

Pasquale Pistorio, SGS-Thomson's president, visited Inmos's Bristol headquarters shortly after the acquisition and asked its executives: "What would you like to do?"

Yesterday, in London, Inmos unveiled one of the answers to that question: the T9000 transputer, an advanced version of the "computer on a chip" for which it is best known.

Earlier versions of the transputer could communicate with four other transputers, allowing different electronic operations to be carried out at the same time rather than having to be processed consecutively.

A programmer could arrange for the older transputers to communicate with more than four other devices. Users of the T9000 do not need to make this adjustment. Paul Strzelecki, Inmos's marketing director, says that although the new transputer still has four communications channels, there is no limit to the number of other transputers or electronic devices with which it can work.

The new product, which previously went under the code name H1, will be commercially available at the end of this year. Inmos would not reveal the price of the T9000, but it is initially likely to be sold for about $400. The company is expected to reduce the price as sales take off.

Strzelecki said he expects the new transputer to be used by telecommunications manufacturers. It can also be used in products like laser printers and colour facsimile machines.

Inmos yesterday produced colour photographs transmitted by a Sharp colour fax machine using the older T400 transputer. The high-resolution pictures were transmitted along ordinary phone lines, a process which took six minutes. The advanced T9000 will be able to transmit the pictures by fax in less than half a minute, Strzelecki said.

Michael Skapinker

Mailbox messaging equipment can save time and money for businesses, writes **Della Bradshaw**

Calls by a voice from the post

With all the communications equipment on the market today, from carphones to satellite telex machines, it may seem curious that up to 75 per cent of calls never get through to the right person. Instead the frustrated caller is bombarded with the continuous ringing or engaged tone or ends up leaving a message that may never be answered.

In the US, but not widely yet in Europe, a technology is being used which helps to eliminate this problem – voice messaging or voice mail, where recorded messages can be left on a central recording device to be picked up the recipient.

Nigel Southon, general manager of voice messaging for British Telecom in the UK, equates voice messaging to a spoken memo – a way of leaving messages without sticking numerous bits of paper on someone's desk. "It's for closed user groups in medium-sized or large companies who want to replace paper with voice. My paperwork has gone down by between a third to a half by using it," he says.

Several surveys carried out by companies in the US demonstrate the cost advantages of voice messaging, says Laura Macias, market development manager with Octel, a US voice messaging equipment manufacturer. She cites the case of General Electric which concluded that the company could save $1,100 per year for each of its 60,000 employees by using voice messaging. "Many companies experience payback on equipment in less than a year."

One company that has pioneered the use of voice messaging, both in the US and Europe, is 3M, the materials group.

Malcolm Wollaston, telecommunications manager for Europe, explains that in the UK 50 sales staff in the abrasives technology group were the first to use voice messaging, but now there are 400 3M users in the UK and this figure could soon rise to 1,000. In the US 12,000 3M employees already use voice messaging.

As well as improving internal communications, 3M sales people give clients their voice messaging numbers and personal identification number along with their ordinary phone numbers. By phoning the number and keying in the Pin on the phone touchpad, the client is prompted to leave a message requesting information, giving an order or demanding help. This information is digitised and stored on a computer hard disc.

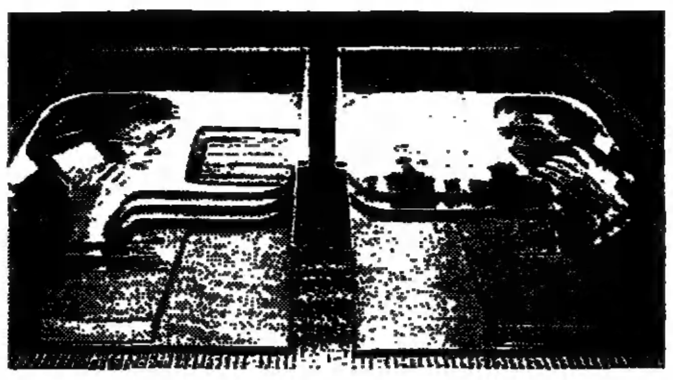
Wollaston emphasises the need for proper training for those with mailboxes, not just in the technology but in how to get the best business advantage out of the system. For example, sales staff are told that they must phone in to collect their messages – which are automatically played back to them – every two hours. This way customers can be confident that they will get a swift response to inquiries.

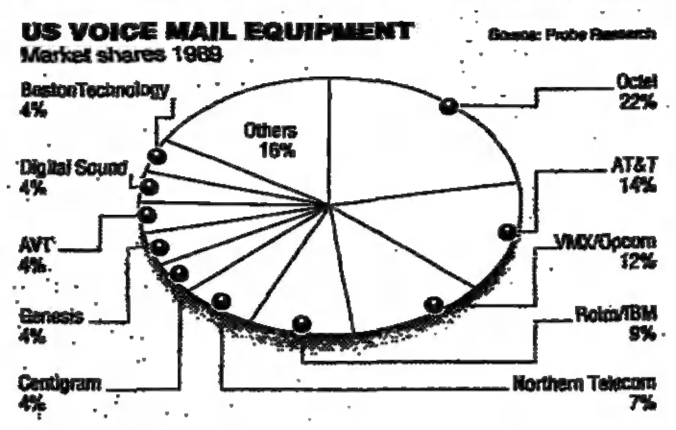
For Wollaston, voice messaging is only one way to maintain communications with people on the road. As such competes directly with cellular phones and radiopagers, and he has calculated the comparative costs of the three.

Despite the plummeting costs of cellular radio hardware, Wollaston estimates that the running costs for each phone user are about £700 a year, taking initial purchase, subscription charges and calls into consideration. Depending on the geographical area covered, radiopagers can cost between £200 and £700 to run as well. Voice messaging services cost 3M about £360 per person. Wollaston cites further advantages:

- A single bill is sent to the company – with carphones you get a bill for each phone.
- Management statistics can be compiled much more easily as a result.
- The number given can be a toll-free number if required, so there is no expense to the caller. This means that company sales people, say, can avoid the high call charges imposed by many hotels.

However, Wollaston acknowledges that different communications means are appropriate for different users in different situations. Voice messaging is most useful where people need to communicate specific information, or where managers want to send out a single message to a number of employees (the message can be duplicated electronically). And if the message needs to be sent on from one person's mailbox to another, that can be done by pressing a few buttons.





Anybody who has phoned a business in the US to be greeted by a recorded message has experienced the simplest manifestation of voice messaging: that of a corporate answering machine where unanswered phone calls via the office telephone system are routed to the voice messaging system.

Southon reports increasing interest from companies whose staff are "site mobile" – managers in retail stores, hotels or restaurants who are rarely in their offices.

Voice messaging is also proving useful for companies which operate across international boundaries and time zones. Glaxo, Britain's largest pharmaceutical company, for example, uses voice messaging to enable employees in its subsidiary offices in the Mediterranean and Middle East to call into the UK and leave messages outside the traditional UK working hours. Voice messaging systems can also store messages and transmit them when off-peak phone rates are in operation.

For small organisations such as the Technology Broker, a company with fewer than 10 employees who flit between the two main offices in California and London, voice messaging is one of the few satisfactory ways of doing business.

Annie Brooking, managing director of the company, explains that she rents a mailbox on an American-based service where clients can leave messages for her. Then she rents further mailboxes for each of her larger clients so that she can leave messages for them. "I have one client who I sometimes won't see for six months. But I speak to him every day," she says.

For smaller companies, renting voice mailboxes from a service provider is the only option. Larger companies can opt to rent the service or buy their own voice messaging hardware to install alongside their corporate telephone exchange. In the UK 3M rents its service from British Telecom but is considering moving to an in-house machine to reduce costs. "In the US it costs about $4 per user per month on an in-house system," reports Wollaston.

In the US large companies often opt to use a combination of the two, buying equipment for their biggest offices and renting bureau services for their smaller regional offices.

But in Europe it is only recently, with the liberalisation of telecommunications, the falling costs of hardware and the cultural acceptance of recorded messages that businesses have begun to accept voice messaging. European business exchange manufacturers such as Ericsson, GPT and Siemens are now set to compete in the voice messaging market with US manufacturers such as Octel, AT&T, Voice Mail Systems and Northern Telecom.

One factor which may encourage further growth is an agreement of standards to enable voice messaging equipment from one maker to communicate with that from another.

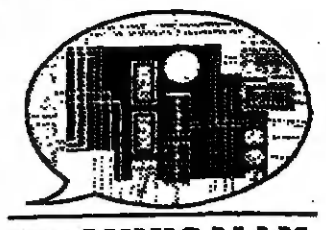
But although US companies took to voice messaging like ducks to water, they are only now realising some of the drawbacks. In the US hackers have begun to target voice messaging networks, some to gain commercial advantage.

More sinister, says Adam Greenberg, editor of the voice processing newsletter of Probe Research, the US consultancy based in Cedar Knolls, New Jersey, which specialises in voice messaging, is the infiltration of company messaging systems by drug dealers.

They set up their own mailboxes, with private Pin numbers, where they leave details of drug availability and prices. Frequently they use networks with toll-free numbers – so the company not only unwittingly promotes the sale of drugs, but pays for the privilege as well.

Academics and value for money

By David Fishlock



TECHNICALLY SPEAKING

Harry Beckers, former group research co-ordinator for Royal Dutch-Shell, used to tell his scientists a story about the difference between physicists and chemists. The tale likened the physicists to dragonflies hovering just above a dung-heap, and chemists to beetles burrowing in the mire.

Neither kind of scientist quite knows whether to be flattered or insulted by the image. The point is that neither the dilettante dragonfly nor the burrowing beetle has a good overall view of research objectives. Both can read the situation quite wrongly, leaving gaping holes in perspective that management must constantly strive to repair.

A textbook example of such academic short-sightedness is unfolding this year in the UK at the Nuclear Structures Facility (NSF) at the Daresbury Laboratory near Chester, where physicists study the make-up of the atomic nucleus. The Science and Engineering Research Council (Serc), which funds the operation, has rightly decided to close it down at the end of next year because its focus is too narrow to warrant the £6.6m a year needed to keep it running.

Nevertheless, Serc has failed to convince the physicists who use the the NSF that its continued operation cannot be justified. These physicists are now appealing to politicians and journalists to help overturn Serc's decision.

Unlike the much larger synchotron radiation source at Daresbury – a sort of giant X-ray machine used by scientists of all disciplines – the NSF is used only by nuclear physicists, not by chemists or biologists or medical scientists, and not at all by industrial scientists. Its future concerns only a handful of physicists and perhaps a score of engineering staff who maintain the complex atom-smashing machine housed there.

Other countries have shown no interest in sharing its costs: both France and Germany have their own facilities pursuing similar research. In addition, NSF fails to rate even a mention in a 45-page summary of a quarter-century of scientific achievements published last year by Serc.

Faced with having to cut the national nuclear research budget by 10 per cent, the council has decided that the funds allocated to NSF have to go. Approximately £50m of the total nuclear research budget of £80m is committed to the 12-nation European Laboratory for Particle Physics in Switzerland.

The NSF scientists claim it is a case of "big science" – such as the Cern project – losing to "small science". Sir Mark Richmond, Serc's chairman, says the decision is not as simple as that; some of the most expensive instruments of big science are used regularly by other kinds of scientist.

The latest ploy of the aggrieved parties is to try to cast doubt on the competence and integrity of Sir David Phillips, chief scientific adviser at the Department of Education and Science (source of Serc's funds). They suggest that he is too old for the job – he is 51.

As Beckers at Shell saw so clearly, most researchers are driven not by some grand cosmic dream of explaining everything but by much narrower ambitions to which their own personal discipline and expertise might contribute.

Few scientists want to be managers while they are still finding research itself so much fun. Few research managers take the trouble to explain themselves and their decisions to their researchers as well as to their paymasters.

However much scientists may wish it were not so, someone must control and audit the very large sums of cash made available for scientific research nowadays. Someone must ask nasty questions like: are we getting best value for money?

MANAGEMENT: The Growing Business

A property strategy

Property is an unpopular subject with many managers because every time the subject has to be addressed it appears to incur a cost but provides no tangible benefit. A rent review invariably increases costs while finding a use for a vacant space involves marketing and management time.

But this perception needs to be reconsidered, according to the Director's Guide to Property.* Industry's spending on new buildings and infrastructure is enormous – more than £24bn in 1989 – making property a resource which should be managed properly to maximise its cost-effectiveness.

The cost of occupying and using property in the form of rent, rates, mortgage payments and upkeep must be clearly identified and included in budgets. Increases can be planned for by noting in advance the timing of rent reviews and maintenance commitments imposed by leases.

Businessmen must take into account the time-scale of property transactions when making strategic plans, the guide suggests. It takes time to find property or buyers; there may be planning consents or building warrants to obtain; and the price will have to be negotiated. Legislation stipulates that local authorities must consider planning applications within two months of receipt but this time limit is often exceeded because of the work loads of planning departments.

The first step towards devising a strategy should be an audit of the business's property assets, the guide says. Establish what the company occupies and where it is. Is the tenure freehold or leasehold and if leasehold for how long?

Are there any limitations on the use of the property? Title documents can impose conditions which control future redevelopment and reduce the possible sale or rental price. On the other hand a company may be able to increase the value of its property by gaining planning consent for a change of use. A site which can be developed for housing or a supermarket may be worth considerably more than one in industrial use.

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See also this page March 12.

Enterprise agencies

Coming to terms with changing needs

Charles Batchelor reports on a day's events [illegible] Doncaster

It is the weekly executive meeting at DonBAC, the enterprise agency and business advice centre based in Doncaster, South Yorkshire, and the three-man executive committee is discussing plans to expand the agency's range of information services.

DonBAC is hoping to provide space in its already cramped offices for an information officer from the local public library and for staff to operate a telephone helpline on behalf of its area Training and Enterprise Council, the Barnsley and Doncaster Tec.

Consideration of the plans has already been going on for 18 months and Brian Crangle, DonBAC's chief executive, and his two fellow directors are keen to press on. But recruitment of the librarian has been held up by a salary review and slotting the data links and the extra telephone lines into DonBAC's already crowded phone system is causing headaches.

The expansion of the agency's information service is just one of several initiatives to be discussed at last week's two-hour meeting. Like many of the 300 enterprise agencies around the country, DonBAC is attempting to come to terms with rapid changes which are occurring in the field of small business support.

The creation of a nationwide network of Training and Enterprise Councils and a new-found vigour on the part of the Chambers of Commerce movement represent at the same time an opportunity and a threat to the enterprise agencies.

Meanwhile the winding-down of government funding for the enterprise agencies and an increasingly demanding approach on the part of their private sector sponsors are forcing the agencies to question their role. Can they continue to function as a social service, providing free advice to the smallest business, or must they adopt a tougher, more commercial approach?

Set up during the late 1970s and throughout [illegible] 1980s, Britain's enterprise agencies originally saw their main role as providing advice to unemployed people seeking [illegible] become self-employed or to establish small businesses. Towards the end of the 1980s, though, the emphasis shifted to helping more [illegible] businesses by providing training and financial support.

Nimrod Holdings, a [illegible] facturer and retailer [illegible] computer games, is not untypical of the companies helped by DonBAC. Alan Scott, [illegible] National Westminster Bank manager on secondment to the agency, spent one morning last week on a monitoring visit to Nimrod, which has 11 stores, 100 employees and turnover of £2.8m. Scott's interest in the company arises from a £24,000 loan which DonBAC has made [illegible] Nimrod's Appletree Print subsidiary.

DonBAC was established in 1985 to help counter the rising unemployment caused by pit closures in the south Yorkshire coalfield. It received [illegible] significant boost in 1987 when British Rail provided £1.5m of funds to help soften the [illegible] of cutbacks in its engineering activities in the Doncaster area. DonBAC has set up [illegible] loan fund with the money.

DonBAC also operates a venture capital fund which has £850,000 to invest. The risks attached to venture capital are graphically illustrated, however, by the failure in February of one of its two investments at a cost to DonBAC of £150,000 to £170,000. [illegible] DonBAC [illegible] underestimated the amount of time required [illegible] equity investments, [illegible] Bryce [illegible]taniland, financial executive.

(l. to r) Bryce Staniland, Brian Crangle and Derek Evans: experienced the risks of venture capital

The agency now has a staff [illegible] of its executive directors are employed on a permanent basis. This [illegible] it a decided advantage over agencies which depend on secondees [illegible] fill senior positions, says Crangle.

Money is tight but DonBAC is self-sustaining on [illegible] budget which was £200,000 last year. Finance comes in the form of sponsorship from nearly 40 organisations, including the local council, British Coal and British Rail, interest and fees from its lending activities and training fees.

DonBAC has its offices in [illegible] small arcade in central Doncaster. This gives it [illegible] shopfront onto one of the town's busiest streets but the premises are cramped and there are plans to move to [illegible] new site with the Tec and other [illegible] advice groups [illegible] provide inquirers with a one-stop service.

It was the decision by the government to create a nationwide network of Training and Enterprise Councils which has caused DonBAC and other enterprise agencies the greatest amount of heart-searching in recent months. Many enterprise agency directors wonder how the Tecs will interpret their small business role and whether the two networks will be able to work smoothly alongside each other.

An example of how the relationship can work is the contract which DonBAC has won from the Barnsley and Doncaster Tec to provide business counselling sessions. But Crangle and his team have been unable to agree with the Tec on a plan to approve business plans submitted by applicants for the Tecs' [illegible] Start Scheme.

The Tec was keen for DonBAC to [illegible] the business plans but was unwilling to pay it [illegible] the service.

"We are used to giving advice to people on their business plans but we told the Tec there was an extra effort involved in *approving* plans," explains Crangle. The Tec has now said its own staff will approve the business plans but Crangle wonders if they are qualified to do this.

Despite these difficulties, Crangle says he is hopeful that the Tecs will rapidly gain experience.

But the launch of the Tecs and the decentralisation of many government-funded training programmes has posed further problems for agencies like DonBAC. Spending cuts have hit [illegible] training programmes and reduced its income from this source over the past two years. [illegible] pressure [illegible] its finances have come from some of its sponsors who are increasingly insisting on their backing being allocated to specific programmes or projects. This threatens DonBAC's ability to provide its core service – free advice and counselling to [illegible] entrepreneurs and small [illegible].

[illegible] counter [illegible] financial pressures that DonBAC is seeking to broaden its range of services. Last week saw Derek Evans, DonBAC's training and marketing director, providing a one-day pilot course to a group of 15 Midland Bank enterprise counsellors on how to deal with small business clients. Evans believes Midland will decide to go ahead with the courses on a regular basis.

DonBAC is also keen to expand its range with the creation of a franchising centre to provide training, advice and finance to both franchisors and franchisees. After the weekly executive meeting Evans goes into talks with Brian Smart, executive director of the British Franchise Association.

The enterprise agency has been receiving a growing number of queries about franchising while the association has been working for some time on opening a centre to promote franchising. The franchise association wants to base its centre in London but Evans and Smart discuss the possibility of Doncaster serving the north-east as part of a support network of regional centres.

A third area where DonBAC is keen to expand is in the field of innovation support. It recently became one of 14 agencies around the country to be designated a "gateway agency" providing help to inventors and innovative small companies seeking advice on subjects such as patents and licensing. Evans is working with John Gaskin, a DonBAC business counsellor with special responsibility for innovation, on a one-day Inventors' Forum to be held on April 30. If the forum is successful Evans hopes to stage similar events in other towns in south Yorkshire and Humberside.

In an area which has been dominated by large industry, creating an entrepreneurial climate has not been easy. Crangle believes, nevertheless, that attitudes to enterprise have improved in recent years. Much more could be done, though, if resources were not so limited. Getting the most value from the resources available [illegible] avoiding wasteful overlaps will be the challenge of the next few years.

DonBAC, 19-21 Hallgate, Doncaster, DN1 3NA. Tel [illegible]

How to bridge the culture gap

Charles Batchelor offers tips for exporters

Successful exporting is not simply [illegible] question of learning the language. The real problem for the exporter engaged in direct selling abroad is to understand the culture, [illegible] Young, author of The New Export Marketer.*

To the European businessman or woman tight schedules are taken as a sign of status and efficiency and an opposite number with an empty [illegible] endlessly accommodating diary arouses suspicion. Expectations are often quite otherwise in [illegible] Middle Eastern countries where setting a prior deadline or putting a guillotine on discussion may be seen as quite insulting.

To be kept waiting in an outer office is seen [illegible] Western [illegible] as a snub but in Latin America to be kept waiting for an hour is of little significance. The same attitude often applies to correspondence. A delay of a month or two in a reply from [illegible] Japanese businessman does not necessarily mean [illegible] loss of interest. [illegible] is often a sign that your proposition [illegible] being [illegible]gated from every angle.

[illegible] leave-taking also vary in different cultures. The British do not shake hands as much as many continental Europeans. In the Middle East, in a casual encounter, men almost always shake hands on meeting, chat for a few minutes and then shake hands on leaving. A second encounter on the same day would follow [illegible] same sequence.

The subjects which can be brought up in "warm-up" conversations must be chosen carefully. A Frenchman would be acutely embarrassed if you raised the issue of the financial status of his company while a Canadian would not think twice, Young [illegible]. An Arab would be upset by being asked about his wife and children in casual conversation; an American would react differently.

Small businesses are unlikely to have the resources to afford the cultural training undertaken by some large companies but by consulting libraries, making exploratory visits and noting the accounts of experienced travellers valuable knowledge can be gained.

Elsewhere in this volume the author looks at [illegible] such as market research, [illegible] pricing, promotion and dealing with export administration.

**Published by Kogan Page. 120 pages. £16.95.*

In brief...

■ A training programme designed to develop entrepreneurs in eastern Europe is being carried out by Andersen Consulting, a business consultancy. The programme, part of a United Nations initiative, aims to select, train and support entrepreneurial businessmen in Hungary, Czechoslovakia and Poland.

Contact Mark Aston, Andersen Consulting, [illegible] Arundel Street, London WC2R 3LT. Tel 071-438 3824.

■ A leaflet* intended to help small business owners counter the impact of changes in the Statutory Sick Pay legislation has been produced by the National Federation of Self Employed and Small Businesses. The changes, which came into [illegible] on April 6, reduced the employer's sick pay rebate from 100 to 80 per cent.

The guide, called Employers – do you know the true cost?, suggests that companies which have no fixed agreement to top up sick pay and where no precedent has been set should substitute a cash amount for a period of weeks when devising new sick pay schemes. This would set a limit on payments if in the future the government decides to make further changes to the rules.

Employers should also consider a closer medical screening of new employees, it urges. The guide includes a model draft letter to employees explaining the recent [illegible].

**Available from [illegible], 140 Lower Marsh, Westminster Bridge, London SE1 7AE. Tel 071 928 9272. [illegible] pages. Free.*

BUSINESS OPPORTUNITIES

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For further information, please contact Nigel De'Ath at the address below:

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[redacted] further information [redacted] Joint Administrative [redacted] KPMG Peat [redacted] McLintock, [redacted] BS8 3BG. [redacted] Fax: 0272 [redacted]

KPMG Peat Marwick Corporate Recovery

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THE [redacted] HOTEL
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122 Bedrooms. Buxton, [redacted]

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THE CHACE CREST HOTEL
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Comprehensive details of each of the 32 hotels are provided in our special Trusthouse Forte hotel investment directory 'A Unique Hotel Investment Opportunity', which [redacted] be obtained from either of the joint sole agents, Chr[redacted] & Co. or Knight Frank & Rutley International.

Please [redacted]
Chris Day or Patrick Ryan, Corporate & Acquisition Division, Christie & Co., 50 Victoria Street, London SW1H 0NW. Tel: 071-799 2121. Fax:071-222 0081.

Alan Daniels or Alistair Bell, Hotels Department, Knight Frank & Rutley International, 20 Hanover Square, London W1R [redacted] Tel: 071-629 8171. Fax: 071-493 4114.

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For further information, [redacted]lease contact Andrew Peters or Owen Claxton [redacted] the address below.

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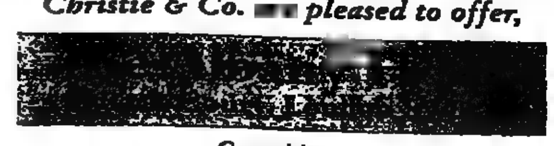

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For further information [redacted] the [redacted] Receiver, [redacted] Halley, [redacted] Marwick McLintock, Peat House, [redacted] Way, [redacted] LE1 6LP. Tel: [redacted] 547626.

KPMG Peat Marwick Corporate Recovery

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MANAGEMENT CONSULTANCY

The FT proposes to publish this survey on

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Source: BMRC [redacted] (Mon-Fri).

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Thirty Five Group
(In [redacted]vership)

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The business operates from [redacted] 350,000 sq. ft. leased warehouse located [redacted] Milton, Abingdon, Oxon.

- Annual sales currently [redacted] £6 million.
- UK's leading [redacted] brochure distributor.
- Modern facilities.
- Excellent [redacted]
- Skilled workforce of 240.
- National distribution [redacted]

Additionally, a [redacted] 6,000 [redacted] ft. fully leased freehold office building, [redacted] in 1985 [redacted] in [redacted] Oxon, is [redacted] sale.

Enquiries to:
AJ Barrett FCA and JGA Phillips FCA,
[redacted] Waterhouse, No. 1 London Bridge, London SE1 9QL. Tel: [redacted] 3000. [redacted] 5566.

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For further information please contact Bob Bailey, Cork Gully, Abacus House, 32 Friar Lane, [redacted] LE1 5RA. Tel: 0533 622338 Fax: 0533 536929.

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For brief particulars of sale please apply to the Joint Administrative Receiver G.C.S. [redacted] Ernst & Young, 37 New [redacted] Leicester LE1 6TU. Telephone (0533) [redacted] Fax: [redacted]

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BUSINESS WANTED

Private Nursing Home Group wishing [redacted] expand [redacted] looking [redacted] acquire other UK nursing [redacted] groups with capacity of 100 beds [redacted] more. All replies [redacted] in [redacted] confidence.

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For further information contact the Joint Administrative Receivers, P.J.R. Souster, P.J. Dickerson of Baker Tilly, 2 Bloomsbury Street, London WC1B 3ST, Telephone [illegible] 413 5100, Fax 071 [illegible]

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BAKER TILLY

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Cole-Davies Stonemasons Limited

(In Receivership)

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- £100,000 monthly turnover
- £850,000+ order book
- Substantial stocks and work-in-progress
- Well-equipped freehold premises

For further details, interested parties should contact the Joint Administrative Receivers, [illegible] J Vooght and C J Hughes at Cork Gully, Orchard House, [illegible] Albion Place, Maidstone, Kent ME14 5DZ Tel: 0622 677119 Fax: 0622 693505

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(In Administrative Receivership)

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For further details contact Edward Klempka or Michael J Moore (Ref: HMB), Cork Gully, 5 Albion Court, Leeds LS1 6JP Tel: 0532 431343 Fax: 0532 434567

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Cork Gully

COMPANY NOTICES

UNILEVER N.V.

Rotterdam The [illegible]

ANNUAL GENERAL MEETING OF SHAREHOLDERS

On Wednesday, 8th May, 1991 at 10.30 a.m. in the "Kleine Zaal" of the "Concert-en Congresgebouw de Doelen", entrance Kruisplein 30, Rotterdam

AGENDA

1. Consideration of the Annual Report for the 1990 financial year submitted by the Board of Directors.
2. Approval and adoption of the Annual Accounts and appropriation of the profit for the 1990 financial year.
3. Appointment of the members of the Board of Directors.
4. Appointment of Auditors.
5. Designation, in accordance with Articles 96 and 96a of Book 2 of the Netherlands Civil Code, of the Board [illegible] Directors as the Company body authorised in respect of the issue of shares in the Company.
6. Authorisation, in accordance with Article 98 of Book 2 of the Netherlands Civil Code, of the Board of Directors to purchase shares in the Company and trust certificates therefor.
7. Questions.

This agenda, the Report and Accounts for 1990, and the information to be provided in accordance with Article 392, para. 1, of Book 2 of the Netherlands Civil Code and the further documentation pertaining to the Agenda are available for inspection by shareholders and holders of certificates issued by N.V. Nederlandsch Administratie-en Trustkantoor at the Company's office, Burg. s'Jacobplein 1, Rotterdam, and at the office of the Bank mentioned below, where copies may be obtained free of charge.

(A) Holders of bearer shares wishing to attend the meeting either in person or by proxy appointed in writing must deposit their share certificates by Wednesday, 1st May, 1991 at the Company's office or at the office of the Midland Securities Services, Client Delivery, Stock Exchange Services, Suffolk House, 5 Laurence Pountney Hill, London EC4R 0EU or any of its branches. Upon production of the receipt then issued to them such holders will be admitted to the meeting.

(B) Holders of registered shares for which certificates have been issued in another form and holders of booked shares wishing to attend the meeting either in person or by proxy appointed in writing must notify the Company of their intention by letter, stating the numbers of the share certificates or of the bookings for the shares, which must reach Unilever N.V., Afdeling Effecten en Coupons, Burgemeester s'Jacobplein 1, Rotterdam, The Netherlands, by Wednesday, 1st May, 1991.

(C) Holders of certificates for shares in Unilever N.V. issued by N.V. Nederlandsch Administratie- en Trustkantoor of Amsterdam, "Nedamtrust certificates", wishing to attend the meeting without taking part in the voting must deposit such certificates by Wednesday 1st May, 1991 at any of the offices mentioned in (A) above. Upon production of the receipt then issued to them, such Nedamtrust certificate holders will be admitted to the meeting.

(D) If holders of the certificates mentioned in (C) above wish to exercise voting rights at the meeting either in person or by proxy appointed in writing, by way of a two-way voting form, N.V. Nederlandsch Administratie- en Trustkantoor will exchange such certificates free of charge for original shares, which it will hold in the names of such holders at its own office (such office being the designated place of deposit in the event) and exchange the same again after the meeting free of charge for Nedamtrust certificates to be issued to such holders in accordance with the conditions of administration of those certificates. For such purposes holders must by Wednesday, 1st May, 1991 surrender their certificates for Fl.4 or a multiple thereof (but, in the case of certificates for 7% cumulative preference shares, representing a total nominal amount of Fl.1,000 or a multiple thereof) to N.V. Nederlandsch Administratie- en Trustkantoor, N.Z. Voorburgwal 326-328, Amsterdam.

The [illegible] so surrendered must be accompanied by a form obtainable free of charge [illegible] N.V. Nederlandsch Administratie- en Trustkantoor, Amsterdam. Upon production of the receipts then issued holders will be admitted to the meeting.

Rotterdam, 16th April, 1991 THE BOARD OF DIRECTORS

HOTELS & LICENSED PREMISES

[illegible] order of the Joint Administrative Receivers, R C Boys-Stones [illegible] and A J Barrett FCA of Price [illegible] Re: Baron Hotels and Leisure Ltd, Courtland House (Holdings) Ltd and Valefell Ltd.

Spiders Web Hotel
Watford, Hertfordshire

Close to M1 and M25 motorways, Heathrow, Gatwick, Luton and Stansted international airports

[illegible] letting bedrooms with development in process of creating a total of 242 letting bedrooms. Restaurant. Bars. Conference and Function Rooms for 35-250.

Leisure centre. Substantial staff accommodation. Planning consent for further bedrooms, leisure facilities including par [illegible] mini-golf course and public areas.

Approximately 17 acres of grounds

Queens Hotel
Crystal Palace, London SE19

Dating from [illegible] and excellently located for the south circular, M25 motorway, Croydon [illegible] internationally famous Crystal Palace Park and Sports Ground.

[illegible] letting [illegible] Bars. Conference and Function Rooms for 10-600.

Planning consent for further bedrooms, leisure centre [illegible] restaurant.

Approximately [illegible] acres of ground

Savoy Hotel
Cheltenham, Gloucestershire

Dating from 1847 and well located on the fringe of the town centre and an ideal base for the businessman and tourist visiting the Cotswolds.

53 letting bedrooms. [illegible] Bars. Conference [illegible] Function Rooms for [illegible]

Potential for development, subject to planning [illegible]

Approximately 1.1 [illegible] of ground

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- [illegible] currently operating as exclusive gourm[illegible] letting bedrooms and [illegible] function [illegible]
- Superb [illegible] Edwardian property with ornate gardens
- [illegible] self-contained apartment and 3 [illegible] bedrooms

FREEHOLD AND CONTENTS
£1,450,000
Subject to [illegible]

Ref: GJB/Hotels

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FT LAW REPORTS

Worker gets damages plus pension

SMOKER v LONDON FIRE AND CIVIL DEFENCE AUTHORITY
WOOD v BRITISH COAL CORPORATION
House of Lords (Lord McKay, Lord Chancellor, Lord Bridge of Harwich, Lord Brandon of Oakbrook, Lord Templeman, Lord Lowry):
April 11 1991

A DISABILITY pension to which an employee has contributed is a form of insurance, and is therefore not deductible from damages payable to him by his employer for personal injuries arising from the employer's negligence or breach of statutory duty.

The House of Lords so held when [illegible] an appeal by the London Fire and Civil Defence Authority from Mr Justice Auld's decision that it could not deduct ill-health and injury pensions and injury gratuity from damages for personal injuries payable to its employee, Mr A.F. Smoker; and when dismissing an appeal by the British Coal Corporation (BCC) from a Court of Appeal decision that it could not deduct disability pension from damages payable to its employee, Mr Roy Wood.

LORD TEMPLEMAN said that in the first appeal, Mr Smoker was employed as a professional fireman by the Greater London Council.

On February 7 1985 he was disabled in an accident caused by his employer's negligence or breach of statutory duty. He lost £13,525 which, but for the accident, he would have earned between December 15 1985 and December 15 1987, when he would have retired.

Between December 15 1985 and December 15 1987 he received £9,926 ill-health pension, injury gratuity, and injury pension from the fire authority.

The question was whether the authority must pay £13,525 for loss of earnings, in which case Mr Smoker would be £9,926 better off than he would have been had the accident not occurred, or whether it was only liable to pay £3,598 on the ground that the damages must be reduced by the amount of pension and gratuity received.

When Mr Smoker became a fireman he became a member of the Firemen's Pension Scheme. He contributed 10.75 per cent of his wages to the scheme, and the fire authority [illegible] as much.

In the second appeal, Mr Wood was injured on April 14 1982, in the service of the BCC, in an accident for which the BCC was 75 per cent responsible.

The BCC's liability for damages was assessed at £54,959, after deducting £8,699 on account of pension receipts to which Mr Wood became entitled under the Mineworkers' Pension Scheme.

The question was whether the £8,699 was deductible.

Under the Mineworkers' Pension Scheme, Mr Wood contributed 5.14 per cent of his pay, and the BCC contributed a like amount.

In Mr Smoker's case, Mr Justice Auld decided he was bound by a House of Lords decision not to allow deduction of the pensions and gratuity. The fire authority now appealed direct to the House. In Mr Wood's case the Court of Appeal held that the pension receipts were not deductible from damages. The BCC now appealed.

In *Bradburn v Great Western Railway (1874) LR 10 Ex 1* it was held in a personal injuries action that a sum received by the plaintiff under an accident insurance policy could not be taken into account in reduction of damages.

Baron Pigott said "there is no reason or justice in setting off what the plaintiff has entitled himself to under a contract... in the event of an accident".

In *Payne v Railway Executive [1952] 1 KB 26* the Court of Appeal declined to allow the defendant to set off disability pension against damages.

Lord Justice Cohen approved the trial judge's statement that: "Just as the wrongdoer cannot appropriate to himself the benefit of the premiums paid by the injured party to cover accident risks, so he cannot appropriate the benefits accruing from the injured party's service which similarly entitled him to those benefits."

In *British Transport Commission v Gourley [1956] AC 185* the House of Lords held that in awarding damages for loss of earnings the court must allow for the tax the plaintiff would have had to pay.

Earl Jowett said the general principle governing assessment of damages was that the injured party should be awarded such sum as would put him in the same position as he would have been in if he had not sustained the injuries.

He said "There are... exceptional cases in which this dominant rule does not apply, as for instance, in cases of insurance."

In *Browning v War Office [1963][1963] 1 QB 750* the Court of Appeal by majority held that disability pension must be taken into account in assessing pecuniary loss. The majority relied on *Gourley* and disapproved *Payne*.

In *Parry v Cleaver [1970] AC 1* a police constable was severly injured by a motor car driven negligently by the defendant and became entitled as of right to a pension on being discharged from the police force for disablement. The House held by three to two that the pension *should be ignored in assessing* loss.

Lord Reid said that *Gourley* reaffirmed the rule that the plaintiff could not recover more than he had lost; but it did not deal with sums which came to the plaintiff as a result of the accident, and which would not have come to him but for the accident.

He said: "As regards moneys coming to the plaintiff under a contract of insurance, the real and substantial reason for disregarding them is that the plaintiff has bought them and that it would be unjust and unreasonable to hold that the money which he prudently spent on premiums and the benefit from it should enure to the benefit of the tortfeasor."

He dealt with the nature of a contributory pension. He said the products of the sums paid into the pension fund were in fact delayed remuneration for current work. But the man did not get back in the end the accumulated sums paid into the fund on his behalf.

He said: "This is a form of insurance. Like every other kind of insurance, what he gets back depends on how things turn out... I can see no relevant difference between this and any other form of insurance. So, if insurance benefits are not deductible in assessing damages... why should his pension be deductible?"

The minority in *Parry* relied on the general principle in *Gourley*.

In the present case the employers sought to distinguish *Parry* on the ground that they were in the triple position of employers, tortfeasors and [illegible].

That made no difference to the principle that the employee had bought his pension which was "the fruit, through insurance, of all the money which was set aside in the past in respect of his past work" (per Lord Reid).

The employers, failing to distinguish *Parry*, invited the House to depart from it.

Lord Gardiner's practice statement *[1966] 1 WLR 1234* announced that the Lords of Appeal, while treating former House of Lords decisions as normally binding, proposed to depart from a previous decision when it appeared right to do so.

In *Fitzleet Estates [1977] 1 WLR 1345* Lord Wilberforce, rejecting a plea to depart from a previous decision reached by bare majority, commented that all the arguments in favour of the appellant had been advanced in the previous decision, and that there had been no change of circumstances.

In the present case all relevant authorities were cited and all relevant arguments had been advanced in *Parry* and there had been no change of circumstances.

The employers claimed there had been a change of circumstance in that *Parry* introduced uncertainty in the law, and in that since 1970 there had been a clear trend at common law against double recovery.

But *Parry* established clearly that pension benefits were not deductible and that double recovery was not involved.

There was nothing in the authorities which cast doubt over the effect or logic in *Parry v Cleaver*.

The appeals were dismissed. Their Lordships agreed.

For Mr Smoker: Richard Clegg QC and Allan Gore (Robin Thompson & Partners).
For the fire authority: John Samuels QC and Kerstin Boyd (Masons).
For Mr Wood: Richard Clegg QC and Simon Grenfell (Brian Thompson & Partners, Manchester).
For the BCC: Simon Hawksworth QC and Margaret Bickford-Smith (Nabarro Nathanson).

Rachel Davies
Barrister

ARTS

A modern genius cut off after his prime

Seurat, the major exhibition that now occupies the Grand Palais in Paris (until August 12, then to New York: sponsored in Paris by Aerospatiale and IBM), continues the programme the *Reunion des musees nationaux* has sustained now over rather more than a decade, of the definitive celebration of the great figures of French art. With Georges Seurat the prospect is especially enticing, for he was hardly the most prolific of painters and here would seem to be our chance to see him clearly and see him whole. In thus presenting his essential achievement, the event is no disappointment, but while it confirms his central importance as an artist it leaves the nature of that achievement, if anything, more ambiguous than before.

Along with Van Gogh, Schiele and Modigliani, all of them lately the subject of major individual studies, we again have a case of the artist cut off prematurely and in his prime. The only difference is that with Seurat the cruel and unworthy thought lingers on, not of genius frustrated and promise unfulfilled, but rather of the great work over and in a real sense complete. We find it, moreover, rounded off by a palpable change of direction and real shift in sensibility. Who can say what would have come of it, but as it stands in the last *Circus* paintings, it signifies only a decline towards the mannered and the decorative, the over-theoretical and technically suspect. After the magisterial monumentality of all that had gone before, culminating in the *Poseuses* of 1888, and the associated studies, the contrast afforded by latest Seurat could not be more poignant.

Born in 1859, he died early in 1891, it is thought of a diptheria, barely nine months after Van Gogh's suicide, who was by some six years his senior and whom he knew. The careers of the two men marched thus somewhat together, though it was Seurat's that was the more orthodox in its origins, began earlier and was to prosper, comparatively, in his lifetime. It is astonishing here to recognise quite how quickly he came to his full maturity as an artist. He began his studies at the Atelier Lequien in 1876, going on to the Ecole des Beaux-Arts in 1878. Here among the drawings that represent those beginnings are two academic studies of the male nude, standing, full-length, both cast in a strong light, in which the abstracted simplicities of the later drawings are already immanent. *Une baignade, Asnières*, the huge composition now at the National Gallery in London, was completed in 1884, when Seurat was all of 25, *Un dimanche a la Grande Jatte*, similarly huge and now at the Art Institute of Chicago, only two years later.

Both paintings are present only in full-size reproduction in black-and-white, as is [redacted] *Poseuses* in the Barnes Foundation at Philadelphia, which is an undoubted pity. Opportunity missed, however, serves to place a full and necessary emphasis on the preparatory material, of which an extraordinary amount has been brought together. And it is the relation in which this mass of drawings, studies and sketches stands to the finished works, with all their overt formal control and technical considerations, that is the heart of the matter, and the key to Seurat.

He was never simply an artist responsive to the external, visible world. In a sense no artist ever is, for everything must be ordered, simplified, and to an extent rendered through a system – *vide* the impressionists quasi-scientific concern with light and its effects. But Seurat was always also a moralist, and it is important in this connection to remember the central importance of symbolism, so long disregarded by our later reading of modern art, to Seurat's own generation of modern artists. The first room of drawings, and a number of studies, all of the early 1880s, make clear the positive interest he took in the work of Millet and Puvis de Chavannes, a conscious influence he shared with Van Gogh.

Seurat left a mass [redacted] drawings, studies and sketches, including this portrait of Paul Signac

But the sheer painterliness of impressionism he evidently found irresistible, with its clear, clean colour, the rich, fat paint and the mark free and open upon the surface. How was one to reconcile such hedonism to more serious purpose? His first answer was to abstract and simplify, always searching out the essential horizontal and vertical in the image, always presenting it repetitively, formal and frontal, as though to keep his distance. No particular is celebrated for itself but only in that it should serve the grand design. There would be no seeking to fix the *petit sensation* of the cornfield or the river-bank *sur le motif*, like Cezanne, for him. No wonder that the artists of the *Indépendants*, with whom he showed the *Baignade* in 1885, should be disconcerted by what seemed so blatant a shift of principle and practice. Theory mattered, and with the Baignade, pointillist neo-impressionism had arrived. Gauguin and Van Gogh, Cezanne and Seurat, so we were always taught, were together the four pillars of post-impressionism: how interesting that Seurat, the youngest, should be the first. The Fauves are coming to London later in the summer, and how useful it is to see Seurat now, *in sort fauve avant la lettre*, in relation to early Matisse and Derain.

What is more fascinating, however, is to see the degree to which, in these smaller works, Seurat remained so much the instinctive painter still, even while consulting his larger formal interests. The tiny studies he made along the *Seine through the middle 80s, those for* la Grande Jatte especially, despite the repetitive, systematic simplicity by which they can be slotted in to their place in the great composition, are among the most perfect, direct and unaffected examples of high impressionism. The light shimmers across the water; a girl sits sewing beneath the trees; other figures stand Marienbad-like, anchored to their shadows, bustle and parasol in strong silhouette; we almost smell the sun on warm earth and grass.

William Packer

Antony and Cleopatra

BIRMINGHAM REP/SHAW THEATRE, [redacted]

Shakespeare's Antony and Cleopatra know their place in history. Like Virgil's earlier Dido and Aeneas and Racine[redacted] Titus and Bérénice, they know their deeds tip whole realms. That sense of consequence and scale is what I miss in these dissimilar stagings of this intoxicating play.

The greatest flaw in the Birmingham Rep *Antony* is [redacted] most famous [redacted] – Sylvia Syms's Cleopatra. She brings to the great role a bourgeois self-importance, some four or five different moods, a transparently practised species of charm, a *grande dame* flamboyance, a heavy humour and some blurry consonants. Little chemistry between her and Malcolm Tierney is evident. Only when this Antony is dead and gone, in "I dreamt there was an Emperor Antony," does she at last – though, alas, not lastingly – discover stillness, lyricism and majesty.

Tierney never lacks stillness; and his voice is impressively experienced and varied. He builds, from too understated a beginning, to a powerful and humane account of Antony's fluctuations. Like Syms, however, he does not always project fully into the Rep (so acoustically tricky). And his eyes – unlike his eyebrows – make almost no effect.

John Adams has updated his Birmingham production to Napoleonic times. Roman classicism is replaced by French neoclassicism. By contrast, Egypt is more natural and timeless. Though this works better than a clever-clever programme essay led me to expect, it inevitably diminishes the play's resonance in our imagination and clutters our heads with superfluous ideas. In that respect, Roger Butlin's elegant Birmingham designs are no more effective than the tatty, minimal designs [redacted] Tim Hegarty's Commonweal production, [redacted] the Shaw.

Cleopatra is where Commonweal is strongest. Granted, Susan Curnow does not have infinite variety; she lacks "a tawny front"; I cannot imagine her hopping "forty paces through the public street." But, from her first appearance, it is plain that this Cleopatra is an Egyptian queen, that she and Antony are physically intimate, and that she knows she controls lives. I was fascinated by how she uses her supple neck and waist to hint occasionally at the flattened 2-D profiled positions of Egyptian bas-reliefs. She has clarity, spontaneity, bite and wit.

Though the production is visually too shabby and could be more imaginative in its use of its few simple props, it keeps up a constant contrast between Rome and Egypt and builds up to a properly transcendent *Liebestod* glow. Not much else is memorable. Andrew McDonald [redacted] tough, intelligent [redacted] unheroic Antony. Max Haffler's Enobarbus is an ordinary Northerner who recognises [redacted] wonder [redacted] the [redacted] people with whom he deals – more "right" but also more dull than the harsh, bitter account at Birmingham by Eric Richard.

Only one actor in either version has the complete measure of his role and Shakespeare's verse. This is, at Birmingham, Simon Dormandy as Caesar. He [redacted] by turns cold, compassionate, cerebral, self-righteous, forceful, appreciative, grand. Ambition [redacted] in his [redacted] and [redacted] Destiny, [redacted]

Alastair Macaulay

String quartets

GOLDSMITHS' HALL

The [redacted] that since 1979 has [redacted] held [redacted] three-year intervals [redacted] Portsmouth has now [redacted] northeast, to become [redacted] London International String Quartet Competition. The final round took place on Sunday, when five competing [redacted] quartets remained. Since Beethoven [redacted] prescribed for this round, and each [redacted] had had to declare [redacted] choice long before, we heard opus 95 and the First "Rasumovsky" twice each.

In the event, the order in which the teams appeared was an uncanny match for what proved to be the winning order in reverse, almost as if someone had pre-guessed the result. (The sole discrepancy lay in programming the second and third prizewinners the wrong way round). This year none of the British or German ensembles had reached the finals, nor the Italian one nor the French. Of several USSR teams only the Moscow-based Russo Quartet came through, but the notably large American contingent supplied three challengers.

Like the Russian quartet (and the Werethina Quartet from Germany, whom we didn't hear but who won the Artistic Director Yehudi Menuhin's special prize for promise) the Americans are all led by women – and *every* member of the Lark Quartet from L.A. is female. It was the Czech all-male Wihan Quartet, however, who won, playing the second First "Rasumovsky". On the strength of what we heard they seemed a fair enough choice, though it was faintly surprising to hear it reported as "unanimous" among the 11 judges: evidently this year has enjoyed a strong field, and all the quartet-finalists merited keen attention. No doubt the earlier rounds made the difference.

The Lark Quartet took second prize, but performed like the other American teams before the interval. After it we heard the Russians (third prize) and the Czechs, which threw an intriguing point into sharp relief. Every American quartet shared a collective rhythmic impulse, strongly theatrical, which neither of the Eastern ensembles sustained: in both their performances there were momentary disorders that betrayed failures to listen to each other. What distinguished the Wihan players was their cultured address, judiciously weighted note-by-note and productive of beautiful effects in their "Rasumovsky" middle-movements; beautifully taught, certainly. Yet their opening Allegro was staid, and Beethoven's teasing string of mock-closes in the Finale po-faced and tedious.

On the other hand, in that same op. 59 no. 1 the Lark players had been so light and speedy, with plenty of bright ideas and some fetchingly lyrical playing, as to jettison some of the robust gravity of the work. In Beethoven's F minor quartet op. 95 – the other direct comparison here – the hell-for-leather intensity of the Miami Quartet (fourth prize) rode roughshod over some details, but it was more faithful to the drama of the work than the earnest Russo Quartet ever were, despite their big, satisfying sound and well-honed rhetoric. In the Scherzo their dotted-note rhythms were slack and casual, a fault one doesn't expect from the Russian school.

The odd Beethoven out was the Third "Rasumovsky" in C, with which the Fidelio Quartet (Florida and California: fifth prize) began this final contest. Many lively, fluent ideas, but no firm grasp of the larger structure, opaque and knotty as it is – until their brilliantly risky, all-in-one-breath Finale. It would be comforting to believe that the well-taught Wihan and Russo Quartets may one day try on risks like that.

David Murray

Mitridate, re di Ponto

MONTE CARLO

The Mozart opera of the 1991 "Printemps des arts de Monte Carlo" – obviously, in this year of the Mozart bicentenary, there had to be one – was *Mitridate, re di Ponto*. This *opera seria* is the success story among the early-Mozart-opera rediscoveries: productions have been cropping up all over the place, and are set to continue doing so (although the planned Covent Garden staging is rumoured to have been shelved).

Would similar attention be paid to the opera if it were by another 18th-century composer, and not by an extraordinarily precocious 14-year-old who later composed *Idomeneo*? My answer, bolstered by knowledge of *Mitridate* from records, concert performances, and now by this English Bach Festival [redacted] is [redacted] full-throated yes: for it is [redacted] work of extraordinary qualities.

No-one would pretend that it is evenly inspired all the [redacted] through (though even when treading 18th-century *seria* water, as he does for much of the first act, Mozart writes with serene beauty for voices and instruments); but the opera contains sufficient startling, fiery, and deep-felt music to disprove Dent's assertion that in 1770 Mozart "was not yet temperamentally equal to the treatment of such a subject" as Racine's drama in Cigna-Santi's libretto re-modelling.

It is an adventurous opera – adventurous with formal procedures, with emotional statement and development, with its treatment of characterisation through voices. Even at so tender an age Mozart was capable of taking a "given" – such as the predilection of his leading tenor, Guglielmo D'Ettore, *for* wide leaps from high to low or vice-versa – and turning it to dramatic account: the fantasticated vocal line for the titular king certainly depicts overweening pride. And the music for the principal pair of star-crossed lovers, Siphare (castrato soprano) and Aspasia (prima donna soprano) is vibrant with feeling.

One feels strongly about the riches of *Mitridate* above all in the wake of this English Bach Festival presentation, which showed them off in an admirably flattering light. A modernised treatment must surely encounter greater difficulties with a work so bound up with 18th-century dramaturgy; the EBF way of honouring the terms of that dramaturgy – in stage movement (by Tom Hawke), in setting (by Terence Emery after Quaglio) – sets the scale of the drama. One accepts its pace and style – and then, in later acts, one thrills to Mozart's bold, excited re-thinking of them.

In the delightfully ornate, intimate Salle Garnier, the chances of such a presentation are of course much more positive. It was not absolutely ideal: the conductor of the EBF "period" orchestra, Antonio de Almeida, is a cultivated musician who tends to let the reins slacken just when one wants him to tauten them. The casting was uneven: Helen Field (Aspasia) carried herself and her grand dark-crimson gown with such wonderful presence that her discomforts with florid writing [redacted] forgiven, but the inexperienced Kiphare (Sharon Cooper, a [redacted]-grained high mezzo) showed only flashes of promise.

On the other hand, the Mitridate, Andreas [redacted], managed the normally [redacted] arias with grace, dignity, and even ease; and both Penelope Walker (the scheming Farnace) and Naomi Harvey (the gentle [redacted], *second donna* foil to Aspasia) proved exceptionally stylish in delivery and bearing. The long opera was cut to the bone, and beyond that in the *secco* recitative. But on the whole the show was a notable success for both the Monte Carlo Festival and the English Bach organisation: a pity it is apparently not to be given in London.

Max Loppert

Oslo Philharmonic

BARBICAN HALL

Ten years ago it would have been unthinkable that the Oslo Philharmonic should have featured in a "Great Orchestras of the World" series and, what is more, promised to be one of the most exciting attractions. So quickly can an orchestra's standing rise under inspired leadership.

On its present tour the orchestra is directed, as before, by the Lithuanian-born Mariss Jansons. Like Szell in Cleveland or Dorati in so many cities, Jansons has proved to be a tireless orchestral trainer, set on raising his players to the highest standards. The orchestra has become his ship, bound to follow where its Principal Conductor, with all his enthusiasms, his strengths and weaknesses, pilots it.

At their Barbican concert the course was set for the 19th-century German romantics, Brahms and Wagner, not really home waters for this conductor and an area from which he has largely stayed away on record.

It is also worth remembering that the Oslo orchestra is not naturally endowed with the glorious sound of great orchestras like Berlin or Vienna. What they have achieved with Jansons is the result of hard grind. Typically there was nothing lazy about their performance of Brahms's Second Symphony, which opened the concert. Accents were weightily despatched; notes were conscientiously held for their full length.

Neeme Järvi, a neighbour in spirit perhaps, as he is Estonian, has given us this kind of Brahms before, with its emphasis on a thick and glutinous texture, as though the music asks for rich paste lyricism, no [redacted] how sticky the going may become.

The trouble is that Jansons's nature is the opposite. He always wants to be dynamic, as one could see briefly when the third movement trio flashed past with Tchaikovsky-like brilliance; but, for too much of the time in this symphony he seemed to be doing what he thought was right, rather than letting his inhibitions go, as usual.

The Wagner, the Prelude and *Liebestod* from *Tristan*, went much better, some overheating at the climaxes apart. Then the programme ended with a showpiece account [redacted] the favourite second suite from Ravel's *Daphnis et Chloé*. No excess of Gallic sensibility here. The sunlight at daybreak glared with the force and brilliance of the brass. The rhythms of the bacchanal pounded with animal excitement. This was Jansons unrestrained and the [redacted] players supported him splendidly.

Richard Fairman

Hérodiade

QUEEN ELIZABETH HALL

Chelsea Opera Group gave on Sunday a concert performance of Massenet's *Hérodiade* that was [redacted] as successful as their [redacted] a few years ago. The achievement was only a [redacted] one in the way the work itself is: whereas *Thaïs*, a chamber drama for all its touches of exotic spectacle, [redacted] its Grand Opera ges[redacted]ithin a beautifully economic account of human sexuality and human frailty, the earlier opera gives rather too often the impression [redacted] attempting to [redacted] an [redacted] – [redacted] the detriment [redacted] Massenet's most valuable gifts.

[redacted] included – as the best parts of Sunday's concert proved beyond argument – the ability to make sensuously curling melody and [redacted] intimate portrayal [redacted] characters in a state [redacted] part [redacted] the same dramatic impulse. The principals of [redacted], an opera [redacted] way [redacted] Flaub[redacted] and before Wilde and Strauss, are a candidly innocent Salome (soprano), whose mother abandoned her in childhood, a Baptist (tenor) not unaffected by her charms (it is not she who clamours for his head), a clamorous, doubt-torn Herodias (mezzo) who discloses her relationship to her supposedly long-lost daughter in the opera's closing bars), and a Herod (baritone) openly in pursuit of the young girl. Whenever the four and their linked affections are dramatised in close-up, all four-square brassi[redacted]

In [redacted] the potency of Massenet's feeling [redacted] is not in question. [redacted], the strengths of Sunday's reading were connected with the quartet of leading characters. The casting was imaginative: young British or British-based singers, all able to deliver reasonable-sounding French – in the case of Brian Bannatyne-Scott's Phanuel and Rosa Mannion's Salome, better than that – and all able to temper large phrases with delicacy and shapeliness. By contrast, while the COG chorus and orchestra mustered their energies impressively under Michael Lloyd's vigilant baton, the Grand Opera outward trappings seemed dated and secondhand.

The most complete Massenites of the evening were Anne-Marie Owens (Herodias), whose wide-ranging, lustrous mezzo is now well fitted for a whole host of big 19th-century roles, and Mr Bannatyne-Scott, whose velvety tones are filling out without forcing, and whose sense of style is impeccable. Forcing at the top was the single flaw of Miss Mannion's charming, notably musical Salome; to Massenet's dramatic-tenor Baptist, Graeme Matheson-Bruce brought dignity and power at climaxes, if not much *cantabile* grace.

Peter Sidhom, suffering a throat infection, was nevertheless a strong, firm-toned Herod. The smaller parts were well taken by (among others) Glenville Hargreaves and Katrina Makepeace-Lott. On such an evening as this Chelsea Opera Group seem as necessary to London musical life as ever.

Max Loppert

INTERNATIONAL ARTS GUIDE

TODAY'S EVENTS

AMSTERDAM

Concertgebouw [redacted] Bernard Haitink conducts Dresden Staatskapelle in Mozart's Haffner Symphony and Bruckner's Seventh (6718 345)

Muziektheater 20.15 Nina Wiener [redacted] Company in Harmonic Landscapes, with choreography by Nina Wiener and music by Andy Teirstein. Tomorrow [redacted] Sat: Die Fledermaus. (6255 455)

BERLIN

Staatsoper [redacted] **Linden** 19.30 Symphony in C and Carmen [redacted] choreographed by Alberto Alonso. Fri: Swan Lake (2004 762)

[redacted] **Oper** 19.30 Spiros Argiris [redacted] concert performance of I Puritani with cast led by Lucia Aliberti and Piero Cappuccilli (3410 249)

Philharmonie Kammermusiksaal [redacted] Trio Fontenay plays piano trios by Henze, Dvorak and Schubert. Tomorrow: Ensemble Wien-Berlin plays Berio, Mozart and Hindemith. (2614 383)

BONN

Oper 20.00 Dennis Russell Davies conducts Marco Arturo Marelli's production of Falstaff, with cast led by Juan Pons and Barbara Bonney, also Fri. Tomorrow: Julien Sorel, ballet by Youri Vamos with [redacted] by Elgar. Thurs and [redacted] Vaclav Neumann conducts The Bartered Bride (773667)

BRUSSELS

Palais [redacted] **Beaux** [redacted] 20.00 [redacted] Liszt Chamber [redacted] plays music by Telemann, Bach, Liszt and [redacted] Fri: Pierre Bartholomee [redacted] Belgian National Orchestra [redacted] programme. Sun: Silvia [redacted] plays Mendelssohn's Violin Concerto [redacted] 8200)

COLOGNE

Philharmonie 20.00 American [redacted] Theatre in Manhattan Moves. Fri: Serge Baudo conducts Cologne Radio Symphony Orchestra. Sun: Alexander Dmitriev conducts Leningrad Symphony Orchestra (2801)

Opernhaus 19.30 Alberto Zedda [redacted] L'Elisir d'Amore with Alida Ferrarini as Adina, also Fri. Tomorrow and [redacted] Fantaisies, guest performance by ballet ensemble [redacted] Deutsche Oper am Rhein, Düsseldorf, with choreography by Erich Walter, music by Tchaikovsky (221 8400) This [redacted] repertory includes Goethe's [redacted] directed by Gunter Kramer, Brecht's Jungle of Cities and Brendan Behan's The Hostage (221 8400)

LONDON

MUSIC

[redacted] **Garden** [redacted] Gennadi Rozhdestvensky conducts Tarkovsky production of Boris Godunov, with [redacted] led [redacted] Burchuladze, Gwynne Howell, Robert Tear and Eva Randova. [redacted] Fri (240 1066)

[redacted] 20.00 Richard Armstrong [redacted] Salome, with Kristine [redacted] in title role, also Fri. Tomorrow and [redacted] new production of Peter [redacted] Thurs: [redacted] (836 [redacted])

[redacted] **Festival Hall** 19.30 Christoph von Dohnanyi [redacted] London Philharmonic in music by Webern, Schumann and Schoenberg, [redacted] Emanuel [redacted] soloist in Beethoven's Second Piano Concerto. Thurs: Dohnanyi conducts Dvorak and Honegger [redacted] 8800)

Queen Elizabeth Hall 19.45 City [redacted] London Sinfonia plays music [redacted] Rossini, Schubert and Mozart. Tomorrow: Rozhdestvensky conducts music by [redacted] composers (928 8800)

THEATRE

This [redacted] include Caryl Churchill's play Top Girls, in which six women from history [redacted] their achievements with a top woman executive (Royal Court), Terry Hands' RSC production of Love's Labour Lost (Barbican), Alan Bennett's stage adaptation of The Wind in [redacted] Willows, directed by Nicholas Hytner (National) [redacted] Carmen Jones, [redacted] Hammerstein's Bizet-inspired musical set in the US [redacted] World War, [redacted] by Simon [redacted] Vic). Phone Theatreline: Plays 0836 430959 Musicals [redacted] 430960 Comedies 0836 430961 Thrillers 0836 430962

MILAN

Teatro alla [redacted] 20.00 [redacted] Muti conducts Pergolesi's Lo [redacted] 'nnamorato, [redacted] tomorrow, Fri and Sat. [redacted] 3744)

NEW YORK

[redacted]

Avery Fisher Hall [redacted] Jarvi conducts [redacted] York Philharmonic Orchestra in [redacted] by [redacted] Brahms and Jaan Raa[redacted] Thurs, Fri and Sat: Sinopoli [redacted] Mahler's Ninth [redacted]phony. Tomorrow in Alice Tully Hall: Guarneri String Quartet (874 2424)

Carnegie Hall 20.00 Georg Solti conducts Chicago Symphony Orchestra in concert performance of Verdi's Otello, with cast led by Luciano Pavarotti, Kiri te Kanawa and [redacted] Nucci, [redacted] Fri (247 [redacted]

Metropolitan Opera [redacted] James Levine conducts La Clemenza di Tito with cast led by Roberta Alexander and Tatiana Troyanos. Tomorrow [redacted] Sat: [redacted] Thurs: I Puritani. Fri: Luisa Miller (362 6000)

THEATRE

This week's [redacted] include [redacted] Trevor Nunn's production [redacted] Andrew Lloyd Webber musical with a [redacted] cast (Winter Garden), Nunsense, Dan Goggin's musical about five nuns who mount a talent show (Douglas Fairbanks), Grand Hotel: The Musical, a well-cast production directed and choreographed by Tommy Tune (Martin Beck) and Once on this Island, musical set in the Caribbean about a peasant girl's passion for the son of a wealthy landowner (Booth). [redacted] inquiries and [redacted]

PARIS

Palais Garnier 19.30 Robert King [redacted] The King's Consort in Handel's Joshua (4742 5371)

Théâtre [redacted] **Champs-Elysées** 18.30 Mozart piano trios – tonight played by Trio Henry, tomorrow by Trio Amati (4720 3637)

Opéra Comique 19.30 La Fee Urgele, musical entertainment with words by Charles Favart (1710-92) and music by Egidio Romoaldo Duni (1708-75), featuring Les Arts Florissants. Runs till April 23 (4286 8883)

Salle Gaveau 20.30 Members of the Ensemble Orchestral de Paris play Mozart chamber music (4953 0507). Tomorrow and Thurs in Salle Pleyel: Semyon Bychkov conducts Orchestre de Paris (4563 0796)

ROME

Teatro dell'Opera 20.30 [redacted] with [redacted] led by Aprile Millo and Dolora Zajic, [redacted] Thurs. Tomorrow, Fri and Sun: Poulenc's Dialogues [redacted] Carmelites (463641)

ROTTERDAM

De Doelen 20.15 Heinz Wallberg conducts Rotterdam Philharmonic Orchestra in Beethoven's Thurs Symphony, with Leif [redacted] Andsnes [redacted] in Grieg's Piano Concerto, [redacted] Thurs (413 [redacted]

STOCKHOLM

Royal Opera 19.30 Dominick Argento's opera The Aspern Papers. Tomorrow: Tosca. Thurs: Carmen. Fri: Les [redacted] d'Hoffmann. [redacted] new production [redacted] Cinderella, choreography by Frederich Ashton, mus[redacted] by Prokofiev (248240). Thurs and Sat in the [redacted] Midori [redacted] Sibelius' Violin [redacted] with Stockholm Philharmonic Orchestra [redacted] Berglund (244130)

STRASBOURG

Theatre Municipal [redacted] Robert [redacted] Martinu's Greek [redacted] Fri (8875 4823)

UTRECHT

Vredenburg 20.15 Ton Koopman conducts Amsterdam Baroque [redacted] in Mozart symphonies. Tomorrow: piano [redacted] by Maria [redacted] Pires. (314544)

VIENNA

Staatsoper 19.00 Ballet triple bill. Tomorrow: [redacted] auf Naxos. Thurs: [redacted] and Pag. Fri: [redacted] (51444 2960)

Musikverein [redacted] Vienna Kammerphilharmonie plays music by Prokofiev, [redacted]akovich, Mashayekhi and Tchaikovsky. Tomorrow: piano recital [redacted] Tzimon Barto. Thurs: piano recital by Grigori Sokolov (505 8190)

WASHINGTON

Kennedy Center Concert Hall 19.00 Lorin Maazel conducts National Symphony Orchestra in Wagner's Siegfried Idyll, Jacob Druckman's Windows and Mendelssohn's Reformation Symphony. Thurs, Fri and [redacted] Rostropovich [redacted] (467 4600)

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1230-1300 CNN Market Watch

1330-1400 [redacted] Day

2000-2030 World [redacted] Today - [redacted] joint FT/CNN production with [redacted] day's major [redacted]

2300-2330 World Business Today

0100-0130 Moneyline

Superchannel

0700-0830 Financial Times [redacted] Report

[redacted] minute [redacted] briefing [redacted] three [redacted] 0800 2130 & 2320 (Wed only) and 0830 (Thurs only) Financial Times [redacted]

SATURDAY

[redacted]

0800-0830 Moneyline

0900-0930 World Business Today - a joint FT/CNN production

1540-1610 Moneyweek

1900-1930 [redacted] Business Th[redacted]

2110-2140 Your Money

SUNDAY

Superchannel

[redacted] FT Business Weekly

[redacted]

0710-0740 Moneyweek

1540-1610 Your Money

1900-1940 Moneyweek

0040-0110 Inside Business

FINANCIAL TIMES
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Tuesday April 16 1991

Housing and inflation

HOUSING [illegible] long been a conversation piece for the British people; understandably so, since 40 per cent of personal wealth is held in the Englishman's castle. As is noted in a new study of quality and choice in housing from the left-leaning Institute for Public Policy Research, the finance of housing is also a mess. But the focus of recent attention has been narrower, on the links between housing and inflation.

In his Budget speech, for example, Mr Norman Lamont remarked that home ownership "remains a key objective of policy for this government. A less desirable development, however, was the dramatic boom in house prices during the late 1980s, which fuelled borrowing and helped boost inflation". Subsequently, Mr Robin Leigh-Pemberton told the House of Commons Treasury and Civil Service committee that he was attracted by the idea of some restriction on levels of lending for individual mortgages.

Tackling the alleged inflationary consequences of the British housing market is more complex than generally supposed. But to the extent that the problem is excessive growth of credit, which it is not at the moment, the best instrument remains the interest rate. It must be used so long as the ERM permits.

Price spiral

Fortunately, a house price spiral like that of 1987-88 remains unlikely in the near future, even though wage inflation and house price deflation are returning the ratio of house prices to average earnings towards the levels of the mid-1980s. At the end of 1989, however, personal net worth in *housing was more than £800bn.* Though smaller by now, it must still be very large. The immediate risk, therefore, is that lower interest rates would lead to an economically destabilising increase in equity withdrawal from housing.

One reason for wondering whether this is such a risk is that the ratio of personal debt to personal *disposable* income doubled in the 1980s. It is unlikely to increase at a comparable rate in the 1990s. Yet the governor of the Bank of England was concerned about precisely this danger when he remarked that "those [illegible] already have large [illegible] might well [illegible] restricted in the [illegible] they can borrow [illegible] they change houses".

Given the size of the available equity cushion, restrictions on equity withdrawal would have to be justified not on prudential grounds, but as a selective form of monetary control. Such a measure would run into an obvious objection: why should people not be able to make use of the wealth locked up in their houses?

Interest relief

An alternative to controls on equity withdrawal would be to *lower the value of housing.* The withdrawal of mortgage interest relief is often recommended for this, but its importance is exaggerated. This subsidy is now effectively cash-limited. The capital value of a cash-limited subsidy worth £7.8bn a year at current long-term nominal interest rates is about £80bn. Withdrawal of the entire relief would, therefore, lower net worth in the housing stock by little more than 10 per cent. The planned re-introduction of property taxes would do at least as much. The relevance of withdrawing mortgage interest relief and re-introducing property taxes is not that they would prevent equity withdrawal, but that they should postpone the next price spiral.

To the extent that equity withdrawal itself is the target, the appropriate fiscal measure would be imposition of capital gains tax on the part of equity withdrawal that corresponds to the real gains. Introduction of capital gains tax into owner-occupied housing would, however, need to be combined with *roll-over relief.*

Inevitably distorting controls on borrowing, other than purely prudential ones, must be deemed a very last resort. Withdrawing mortgage interest relief is justified, as is the re-introduction of taxation on property, but neither is relevant to equity withdrawal. If something is to be done about that danger, a modified capital gains tax should be applied to owner-occupied housing. The [illegible] has been prepared to slaughter Mrs Thatcher's sacred cows. [illegible] he possibly be prepared to go that far?

The trouble with insurance

FOR UK clearing bankers who are now paying heavily for the ill-judged loans and acquisitions they made in the 1980s, there is at least one consolation. Their [illegible] numbers in the insurance business appear to have [illegible] quite [illegible] successful [illegible] finding novel ways [illegible] losing their shareholders' and policyholders' money.

The news that General Accident is to wind down the banking interests of its NZI Corporation subsidiary in New Zealand, having failed to find a buyer, is just one of several unhappy legacies from diversification moves that continue to haunt British insurers. Others include the loss-making incursions by Prudential and others into estate agency, Guardian Royal Exchange's unhappy joint venture into the Italian insurance market and Eagle Star's adventures in property loan insurance. Why, it might be asked, do these mistakes seem to come in neatly ordered batches?

Clearly the insurance company losses are not on the same scale as those incurred by the banks in the Third World or in property. But nor is it coincidence that banks and insurers found themselves taking unusual risks at much the same time.

The problems of the banks could be rationalised by pointing to the impact of excess monetary expansion on a sector whose core business was being eroded by excessive competition. Underlying profitability was inadequate, yet the obvious solutions – hostile takeovers and corporate bankruptcies – were not permitted to whittle down sufficiently the number of banks chasing unprofitable business.

Overcapitalised

Insurance, too, is a mature industry. And while monetary policy does not have such a direct impact, it does have an influence through asset prices and the broader pattern of the economic cycle. In the mid-1980s stock markets were riding high at a time of increasing underwriting profitability, causing solvency margins to soar way above the legally required levels. Insurance companies were thus overcapitalised; and since this is an industry in which there is no equivalent [illegible] the industrialist's fixed [illegible] working capital requirement, cash flow tended [illegible] burn a hole in insurance companies' pockets.

The process then accelerated further, as 1992 fever gripped Europe. British insurers started to worry that their open capital markets would make them vulnerable to foreign takeovers. Against that background the acquisition of estate agents looked an attractive way of obtaining access to customers in a more competitive market. At the same time growth by acquisition looked a tempting substitute for a genuine strategy for selling insurance products in the single market. In practice ownership strategies were heavily influenced by availability of listed companies. Continental European insurers plunged into the mature US market [illegible] there were companies [illegible] to buy. New Zealand gave British insurers an entrée to otherwise inaccessible countries in South East Asia.

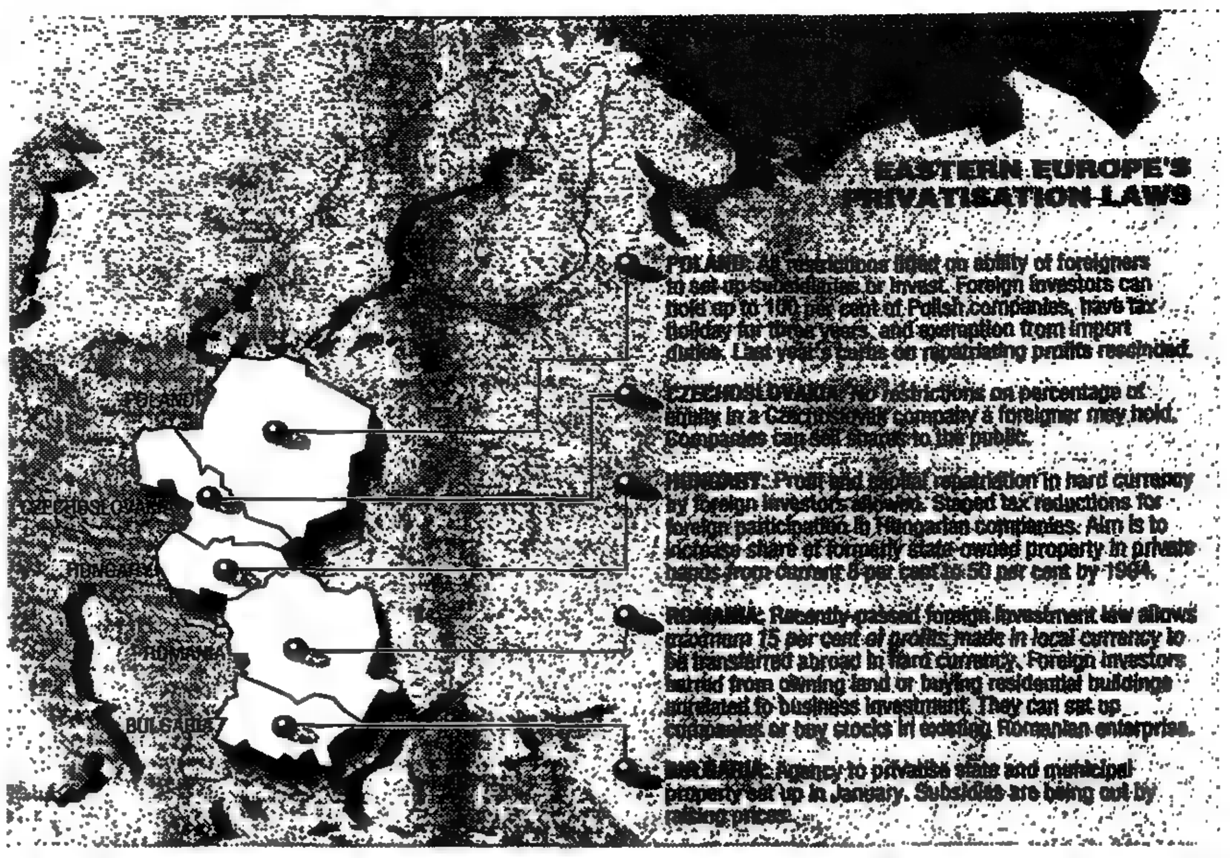
Perverse result

Overcapitalisation naturally provided a temptation to overpay. And the result has been strikingly perverse. General Accident's acquisition of a New Zealand insurance and banking conglomerate has resulted in Britain importing New Zealand's banking bad debts. The Italians have recycled the skeletons in their domestic motor insurance industry's cupboard to a British company that was chiefly interested in the Italian life market. An army of British [illegible] agents [illegible] been absurdly enriched. The [illegible] *sumer* [illegible] *insurance services,* meantime, has [illegible] see much benefit.

When an industry [illegible] from [illegible] to liberalisation it [illegible] inevitable, whether in insurance [illegible] banking, that management aspiration will outstrip capability. That problem is magnified by the huge challenge inherent in conglomerate or cross-border acquisitions where managers abandon familiar territory for the great unknown. Yet some boards of directors have [illegible] more judicious restraining influence than others. Too many non-executive directors have failed [illegible] pull their weight.

Eastern Europe's emerging democracies must define property rights if they are to attract western investment. Judy Dempsey reports

Time to sort out who owns what



Yesterday in London, leaders from [illegible] launched an [illegible] which they hope will help bind the political and economic systems of eastern Europe closer to the west. With the inauguration of the European Bank for Reconstruction and Development, the nations of eastern Europe have found a vehicle to mobilise western support in reviving their shattered economies.

But there is [illegible] growing consensus among western governments that the new rulers of eastern Europe will themselves have to do more to assist in this reconstruction. While these governments are looking to the west, and the EBRD, for aid to curb unemployment, maintain stability and get their economies back on their feet, it is only through a large inflow of foreign investment that the basis can be created for sustained economic growth. And in attracting investment, a large part of the problem resides in the east Europeans' own backyards.

The twin issues of property rights and ownership are crucial to the economic success of the emerging democracies. But as yet, legislation to define the two has not been enacted in most of these countries. Without putting in place these central planks of the market economy system, eastern Europe is likely to be seeking hand-outs from western donors for a long time.

This is not to underestimate what has already been achieved. Poland, Czechoslovakia, Hungary, Bulgaria and Romania have all moved, or are beginning to move, rapidly towards allowing market forces a much greater role in their economies. All of them have introduced price reforms and scrapped subsidies on food, consumer goods, clothes, cars, housing, and energy – in all cases, at the cost of rising unemployment.

They have also made considerable strides towards setting up a legal framework for privatising the large swathes of their economies hitherto owned by the state. As the accompanying table shows, all five governments are now committed – with varying degrees of openness – to privatisation and to attracting foreign investment. Poland is furthest down this road, followed by Hungary and Czechoslovakia. But even Bulgaria and Romania, after a shaky start, are now pressing ahead.

Yet so far, all the activity has *yielded little investment.* Over the past year Poland has attracted [illegible] total of $350m (£197.7m) in foreign investment, mainly in joint ventures; Hungary about $1bn. [illegible] individual rich pickings, such as the Skoda car works in Czechoslovakia [illegible] 70 per cent share in which was bought by Volkswagen of Germany last year), the Tungsram electric bulb group in Hungary (bought by General [illegible] of the US [illegible] year ago), and *Zamech,* [illegible] Polish turbine manufacturer bought by ABB of Switzerland. But overall the flow of investment has been a disappointment.

It should not, however, really be surprising after 40 years of communist misrule. The policies of rapid industrialisation pursued by the post-war regimes [illegible] the region may have initially helped pull eastern Europe out of its agricultural past, but in the end the lack of competition and investment led to industrial obsolescence: witness the sorry state of the region's physical infrastructure.

Since the communists fell, privatisation has come to be identified as the best way of stopping the rot. Western governments and financial institutions, such as the International Monetary Fund and World Bank, encouraged east European governments to move quickly to sell off state assets as a [illegible] of attracting [illegible] investment, building the market economy, and breaking the [illegible] of the [illegible] bureaucracy.

[illegible] their part, the governments viewed privatisation [illegible] of dismantling the economic and political power base of the communists. This was the theme of the election campaigns which swept across eastern Europe last year. The electorate did not vote *for* radical economic policies as such; it voted *against* the communist system. Economic policy-making [illegible] institution-building would follow.

This is part of the problem. Privati[illegible] being introduced back to front – without an infrastructure to support it. None of these countries yet has a western-style accounting, banking or capital markets system. Nor does any of them have much of an indigenous property-owning class.

Eastern Europe[illegible] largel[illegible] middle classes were almo[illegible] pletely destroyed by Hitler [illegible] 1938 and 1945. The survivors either emigrated or had their property confiscated by the communists.

In Poland, Stalin destroyed at Katyn, *the cream of the professional* class. In [illegible], the middle classes had all their property confiscated after 1948. Despite the extermination [illegible] Hungary's 600,000 Jewish community, the backbone of the country's industrial and cultural class, it probably still has the largest middle class/intellectual elite which can facilitate the transformation. An entrepreneurial class was partially encouraged by Mr Janos Kadar, the former communist party leader, who allowed the expansion of the second economy and small private shops.

In Bulgaria, Mr Todor Zhivkov, the former party leader, promoted the rural classes at the expense of the middle classes. In Romania, the 700,000-strong ethnic German community, which formed the backbone of *the middle classes after the Second* World War, has dwindled to less than 170,000 due to emigration.

As a result, eastern Europe is having to *create* [illegible] property-owning class – in conjunction with foreign investors. But here the new governments of the region are bumping up against another central problem: the near-total confusion about who owns what.

[illegible] they define property and *ownership rights, the governments of* eastern Europe are likely to put off foreign investors. Investors need to know whether they can buy and sell land – whether for private use, or for the expansion of their business.

Eastern Europe is having to create a property-owning class – in conjunction with foreign investors

It is not that there is a shortage of investment opportunities. Among the potentially lucrative enterprises waiting to be tapped are:

- In Bulgaria, [illegible] government [illegible] contemplating the break-up of the state tobacco monopoly;
- In Romania, US, Italian and British companies are seeking advice on how to buy into the country's internationally competitive textile, leather and shoe industries;
- In Czechoslovakia, N.M. Rothschild, the UK merchant bank, is advising the government on how to privat[illegible] the *Transgas pipeline,* which carries energy from the Soviet Union to western [illegible]
- In Hungary, Schroder [illegible] British merchant bank, is advising the Hungarian State Property Agency on the privatisation of Interglob, a transportation and distribution business.
- In Poland, the consulting firm A.T. Kearney is preparing the copper mining conglomerate KGHM for privatisation and possible purchase by foreign investors.

But in all these cases, buyers will remain [illegible] until ownership rights are defined. The problem is another legacy of the communist [illegible] In most east European countries, land, shops, factories, restaurants and [illegible] were [illegible] after the communists seized power in 1948. In *others, the prime example being Bul*garia, land remained the property [illegible] agricultural co-operatives, which [illegible] amalgamated in the 1970s with the [illegible] agro-industrial complexes, [illegible] collective farms.

Privatisation depends crucially on sorting out the mess. This means addressing many questions: should owners of land and property confiscated by the communists be compensated in kind; should all, or indeed any, confiscated land be returned to their original [illegible], their [illegible] or those who emigrated; how much will the compensation [illegible]

There is no ready-made formula [illegible] dealing with [illegible] questions. But apart [illegible] Romania and Albania, which have [illegible] define property rights, all east European countries are grappling with the issue:

- [illegible] In Poland, the government earlier [illegible]th decided not to return to its original owners [illegible] property which was nationalised after 1945 because [illegible] would be too expensive. Instead, Mr [illegible] Lewandowski, the minister for privatisation, said former owners would receive bonds entitling them [illegible] buy shares in any newly-privatised companies in compensation for the loss of their property.

"You cannot turn history back. You must take into account the time factor, the [illegible] factor, [illegible] need to stimulate foreign investment," he said.

Poland [illegible] avoid the problems being encountered in [illegible] Germany. There former property owners were given [illegible] right to reclaim their land, [illegible] blanket commitment [illegible] has caused legal confusion and [illegible] the privatisation [illegible] question [illegible] communist [illegible] of nationalisation [illegible] land reform, [illegible] will question the whole post-war legal structure [illegible] Poland," argued Mr Lewandowski. But his proposals have been criticised by the [illegible] of Real Estate [illegible] a [illegible] of former property-[illegible] who are demanding the return of full ownership rights to those [illegible] properties were confiscated or nationalised by the communists. In Warsaw alone, 18,000 properties were confiscated in 1945.

- The government of Czechoslovakia has adopted a different approach. A law passed in February will allow the return of property confiscated between February 25, 1948 (the date of the communist coup) and January 1, 1990. It will apply only to individuals, and will exclude emigrés who did not return to Czechoslovakia before that date. The federal government reckons that about 10 per cent of all state-owned property, worth $10.7bn, will be returned to former owners. But it has not indicated how the restitution of property will be financed.
- In Hungary, the conservative Hun*garian Democratic Forum, the main* party in the ruling coalition, is proposing to give expropriated owners first option to regain their old nationalised property if they can provide evidence of title. This could entail legal searches before state property can be sold – a process likely to be complicated by the fact that a third of all Hungarians live abroad.

Mr Lajos Csepi, managing director of the State Property Agency (SPA), said last week that the government's plan "will obviously slow down privatisation. It would be disastrous. For[illegible] investors [illegible] come because [illegible] do [illegible] know what is going to [illegible]"

What is more, the [illegible] is likely to be very costly. The government has already admitted [illegible] returning property and issuing compensation bonds will cost more than the $940m already already earmarked by the finance ministry.

Even so, the proposed law is under attack for not going [illegible] enough. The government is under pressure on the issue from the Smallholders party, a junior coalition partner which favours the return of all property [illegible] by the communists after 1945. [illegible] bill goes before the constitutional court [illegible] month.

- [illegible], the communists did not [illegible] the agricultural co-operatives which had become a feature of the country's [illegible] before the war. But the government [illegible] reluctant [illegible] allow full private property rights for land. It believes this would lead to the break-up of the co-operatives and destroy the economy's agricultural base. Bulgarian nationalists are also concerned that if property rights were freed, the Turkish minority would buy large tracts of land, exacerbating ethnic tensions.

All this amounts to another hefty political and legislative agenda for the new governments of eastern Europe. But until they resolve the issues of property and ownership, foreign investors will continue to hang back.

OBSERVER

Ruffled feathers

■ More haste, less speed. The celebrations of the lift-off of Jacques Attali's BERD – [illegible] European Bank for Reconstruction and Development – would clearly have benefited from better preparation, not to mention greater support from Her Majesty's Government.

For a start, Britain's overseas development administration may be part of the foreign and commonwealth office, but giving it such a big role in the event has upset some foreign visitors. The ODA knows a lot about the Third World, but precious little about Eastern bloc countries.

Moreover, whose idea was it to site the three-day inauguration on the wrong side of the river?

It's in the International Maritime Organisation south of the Thames, with no parking and no handy underground station. Surely HMG could have pulled strings and cleared somewhere more convenient, like the Queen Elizabeth 11 Conference Centre by the Houses of Parliament.

Meanwhile, the governor of the Bank of England upset the Institute of Chartered Accountants by suddenly dropping out as guest speaker at last night's annual dinner. Presumably something more important turned up, like the chancellor of the exchequer's dinner for BERD's board.

As the governor is not the sort of person to snub an important and long-standing City invitation, it sounds as if the person in charge of planning the BERD ceremonies should be given the bird.

Diversons

■ Instead of having its mind concentrated wonderfully, the Lloyd's community seems to be bracing itself for the impending dire underwriting results with fin-de-siècle diversions.

For example, diaries are being starred for May 7: the start of the disciplinary hearing of Ed Cowen, former underwriter of non-marine syndicate 529, at London's Great Eastern Hotel. It's the first such hearing to be held in public.

Cowen's alleged misdemeanours – the reason for his suspension from Lloyd's last winter – centre on the arcane world of reinsurance, where the only testimony that counts is that of expert witnesses. He is claimed to have gained personal advantage at a level which would hardly have bought a second-hand BMW.

But there are principles at stake, and Cowen's supporters believe his defence will – as one put it – "open a few eyes". So dark glasses and false beards may well be the order of the day at the hearing, not only for spectators, but for some of the witnesses.

Sign of times

■ Europe's nuclear engineers and scientists could have been happier in the timing of their hunt for a new symbol to generate public confidence in the peaceful uses of their technology. The search coincides with a second international post mortem, being staged in Paris, on the Chernobyl disaster.

What the Swiss-based European Nuclear Society is seeking is a replacement for the care-worn emblem of electrons whirling round a nucleus, used by the United Nations' international atomic energy agency as well as numerous other organisations. Ironically, the atom depicted is usually lithium – a metal whose nuclear uses are confined to weapons.

Also listed for scrapping, it appears, is the morbid jargon nuclear scientists once found wryly amusing, instances being *criticality, decay, casket* and *scram.*

Sometimes such jokes have

backfired. *China syndrome,* for instance, was born when a scientist suggested a reactor-core meltdown in the US mid-west might burn right through the earth and emerge in China. The phrase was borrowed for the title of a scare film which – when journalists sent to cover the Three Mile Island emergency were faced with an information blackout – inspired some alarmingly speculative reports.

While the society is open to ideas for a replacement emblem from all sources, it already has a suggestion from Soviet nuclear scientists: a symbol in which the whirling electrons trace a dove.

Europals

■ All of a sudden everybody seems to want to visit the European Parliament.

Boris Yeltsin, president of the Russian Federation, was first on the guest list for this week's Strasbourg session, dropping in on the president of the parliament and socialist MEPs. But that did not prevent him being given a rough ride by some socialists. Jean-Pierre Cot, the socialist leader, praised him as "amiable" but sometimes "over the top, demagogic and irresponsible".

Still, at least Yeltsin had space to wander the corridors of the Parliament's Strasbourg home without bumping into other international celebrities. A couple of days later and he'd *have been jostling for room* with UN secretary-general Javier Pérez de Cuéllar (due today), Patricio Aylwin, Chile's president (scheduled for tomorrow), and an eclectic list of global statespeople including the Patriarch of Jerusalem, the speaker of the Swedish Parliament, and ex-King Simeon of Bulgaria.

Happily, there is no risk of MEPs losing their sense of perspective on more important Euro-issues. This week they have also been promised a visit from a group lobbying on behalf of France's camembert-producers.

Stereotypes

■ Rosalind Gilmore, the new Building Societies Commissioner who has just taken over from Michael Bridgeman, has begun her reign by striking a small blow against feminist modernism.

Unlike her predecessor who inspired terror in the shires, Mrs Gilmore has indicated that she favours informality. Even so, at her first Commission meeting it turned out that some ground rules had to be established. "People seemed uncertain what I should be called. Was it chair, chairwoman, chairperson or whate[illegible]?" she reports.

Under the Building Societies Act it appears that it has to [illegible] chairman, and that's the way it will be, says Gilmore.

Misplaced

■ CNN television is telling European viewers London will be the venue of the Helston Furry Dance next month.

Sounds like a shaggy dog story to me.

Pretoria loses its golden parachute

The gold-mining industry, the country's traditional source of succour, is in decline, says Philip Gawith

The adage that South Africa has advanced politically by disaster and economically by windfall has been turned on its head. As the country starts to rid itself of the political burden of apartheid, a painful recession is gripping its traditional source of succour – the gold-mining industry.

The industry faces its worst crisis since gold was discovered on the Witwatersrand more than a century ago. High real interest rates in the main western economies and the proliferation of new financial instruments to protect the wealthy against inflation have combined to undermine gold's safe-haven status. There is increasing concern that recession in the west will reduce jewellery sales, which account for 60 per cent of gold consumption. The precious metal has also failed signally to respond to international political turbulence over the past two years. Forward selling by producers, including the Soviet Union, has helped hold back any rise in the price of gold.

Reluctantly, local mining houses have accepted the message – what is bad for the world is no longer good for South Africa's main export. Gold will not be coming to the country's rescue. Indeed, the outlook for the industry is increasingly bleak.

● In the past fortnight Gencor and Anglo American, the country's two largest mining houses, have announced respectively the closure of the Stilfontein mine and the end of a big exploration programme in the Potchefstroom gap in western Transvaal.

● The latest results from Gold Fields of South Africa (GFSA), another leading mining house, showed a 7.5 per cent fall in after-tax profits to R219.8m (£45.7m) for the first quarter of this year.

● Last week Amgold, holding company for Anglo American's gold investments, announced a 29.2 per cent drop in investment income to R240.7m in the 13 months to March.

Gold is a declining force in the economy. Although it still accounts for 25 per cent of the country's exports, its contribution to gross domestic product was down to 8.8 per cent in 1990. More revealing is the fall in tax receipts – from 10.7 per cent of government revenue in 1981-82 to a mere 0.9 per cent in the 1990-91 tax year.

Some observers, including Mr Barend du Plessis, minister of finance, view the weakening of gold's influence as likely to help develop the rest of the economy, which they believe has been adversely affected by over-reliance on the metal.

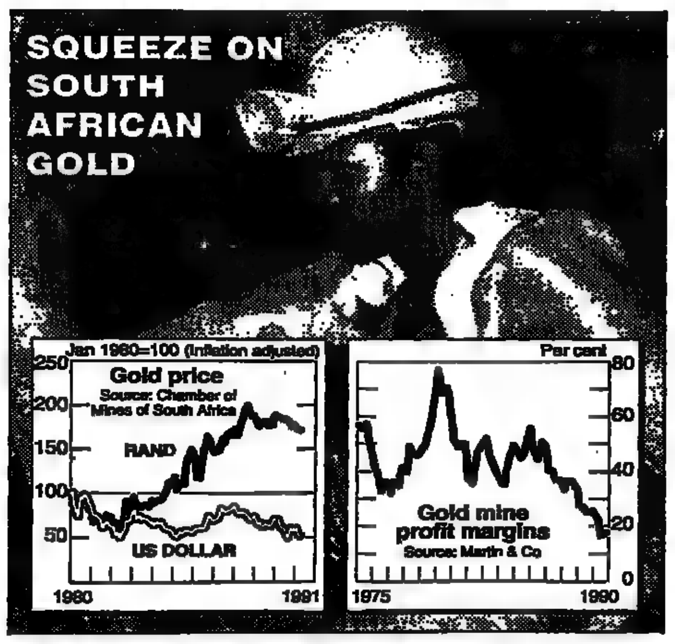
Yet the implications of the industry's predicament are far-reaching, particularly in the labour market. Employment in the gold mines has shrunk from 525,000 in 1987 to 440,000 in 1990. A further 40,000-50,000 jobs are likely to be shed this year. With the gold price at R933 per ounce ($343 at yesterday's exchange rate), only 60 per cent of South Africa's gold would be produced at a profit (if one takes into account capital expenditure). Yesterday the price, at R979, was not far off that level.

This haemorrhage of jobs from an industry which has offered mass employment to unskilled workers for decades has powerful social and political implications in [redacted] country with an unemployment rate of about 40 per cent. It must also be seen against [redacted] backdrop of an economy which declined in 1990, with flat or very modest growth predicted for 1991.

The explanation [redacted] industry's straitened circumstances lies in a simple cost/price squeeze. Over the past three years, gold has hovered at about R990 per ounce, while South African inflation has been running at 14 per cent a year. This means there has been a deterioration in the real rand gold price of about 36 per cent in three years.

The costs of mining gold have been rising for decades. But in the 1970s, the industry's worsening financial position was disguised by the rising dollar price of gold: it rose on average from $35.75/oz in 1970 to $612/oz in 1980. During the 1980s, the exchange [redacted] came to the rescue. The rand/dollar rate rose from 0.78 [redacted] over the decade, thus helping the rand gold price to more than double from R477/oz to R992/oz over [redacted] period.

The chickens came home to roost in the late 1980s. The traditional relationship between a strong gold price and a strong rand, and vice-versa, collapsed as the industry faced weaker prices without any compensating fall in the value of the rand. After peaking at the $800/oz level in 1980, gold declined to an average of $317/oz in 1985. Since then it has been in the $350-450/oz band.



The subsequent fall in profits has forced a fundamental shift in the way gold is mined. In the days of rich ore bodies and a healthy gold price, the benchmark of achievement was quantitative: how many tonnes of ore a mine milled. The premise was that however low the grade of ore being mined, it paid to extract it.

That premise has now changed. A weak gold price has meant that many lower-grade seams cannot be worked profitably. The focus has thus become qualitative – what ore can profitably [redacted]? Mining [redacted] now focus on cost per kg gold produced rather than cost per tonne of ore milled. Activity is focused on the higher-paying parts of a mine. The September quarter last year was the first time in 14 years that the industry had raised the average grade of ore mined.

This approach was pioneered by Gengold, the gold arm of the Gencor group. The effect has been dramatic. In 1988 Gengold's mines produced 89 tonnes of gold, employing 93,000 people; in the year to June, it expects to produce 81 tonnes of gold with fewer than 60,000 people. The industry's richest mines are now being managed along these lines.

Mining better grades and shedding labour – which accounts for about half of a mine's costs – are the most obvious ways of increasing profitability. Other strategies being employed include:

● Switching staff from support jobs, such as administration and finance, to direct production activities;

[redacted] Recycling commodities, [redacted] timber, which [redacted] used in large quantities [redacted] underground support purposes;

● Keener negotiations with suppliers, which are already charging different prices to different mines for the same goods, depending on the mine's profitability.

Managers hope this flexibility will extend to wage talks, where there has been a reluctance on the part of miners' representatives to accept [redacted] link between wages and [redacted] Mr Jerry Majatladi, [redacted] the National Union of Mineworkers (NUM), disputes the link, saying it would only apply [redacted] the industry paid higher wages. Unions allege that mine wages for unskilled [redacted] semi-skilled workers are lower than in the manufacturing sector, the reverse of international patterns. This qualified the extent to which the NUM was prepared to trim its wage demands, [redacted] Mr Majatladi.

Some believe the industry has reached such a sorry state that the government should move in to help it. Mr Lloyd Pengilly, gold analyst at stockbrokers Martin and Co, argues that it would be irresponsible for Pretoria to allow a weak gold price to inflict long-term structural damage on such an important industry. Others disagree. Mr Mike Tagg, general manager at Gold Fields, says the state's role should be kept to a minimum. "If a mine needs funds it must go to its shareholders or bankers."

Mr Gary Maude, managing director of Gengold, says that it is self-defeating for unprofitable mining activities to be subsidised because this encourages overproduction. In turn, this prevents the price from rising and thus renders less profitable those mines which could survive without subsidy. He believes a change of perception "of the supply of gold as big and growing and inexhaustible" is essential to boost the price. Mines which cannot produce profitably must be closed.

A further concern is that while the industry continues to mine about 100m tonnes of ore a year, exploration expenditure has been cut to the bone. Two weeks ago Anglo American, the country's largest mining house, decided to stop prospecting in the north section of the Potchefstroom gap. Comments Mr Pengilly: "The growth side of the business has stopped. We're not replacing the tonnage we're taking out."

The reason is simply that most of South Africa's better greenfields prospects are deep, costly and unviable at current prices: in a typical prospect mining would start at about 3km below surface and cost R3bn to get into production with a 10-year lead-time before the first bar of gold was poured. It is unlikely that any such mine will be started in the next decade unless there is a doubling of the price.

In spite of all the bad news, the industry still has its optimists. Mr Maxwell notes: "Inherent in the South African gold mining industry is an optimism that the gold price will improve."

For the [redacted], however, what is dominating attention [redacted] 2,000 jobs lost [redacted] Stilfontein. With more closures to come, the government will come under increasing pressure to intervene as the effects of the industry's troubles ripple wider.

Joe Rogaly

The Tory tranquilliser

Mr William Waldegrave [redacted] doing a good job as secretary of state for health; if political performance is the measure he is doing somewhat better than his predecessor, Mr Kenneth Clarke. When the new chap took over at the beginning of November the opinion polls rated concern about the national health service at about level with anger at the poll tax, or even just above it. Since then, worry about the NHS has steadily if gently declined, while the community charge, closely followed by unemployment, has become the leading issue.

Mr Clarke joined battle with the medical profession; Mr Waldegrave [redacted] made love, [redacted] The [redacted] person he consulted, after Mr Clarke himself, was Mr Norman Fowler, the former minister and unchallenged master of the art of keeping out of political trouble while managing potentially dangerous departments. Mr Waldegrave's immediate task was to introduce the reforms that officially came into operation a fortnight ago. Did you notice anything move? Neither did I. That was what he was supposed to achieve: slip the new system in with the minimum of fuss and the least possible political damage. Put it in place, but for the moment let it lie dormant. His more difficult objective has been to persuade the electorate that you really can trust the Tories with the health service. Honest, cross your heart and hope to die, it is safe in our hands. So he must [redacted] us.

Mr Waldegrave is trying his best to do just that. He produced a prose poem at a recent Conservative party conference. "To put it bleakly, we are all equal in the presence of death," said he. "Pain and its relief are the same for all." Inequalities in pay, in status, in ability were acceptable because they could only be suppressed by suppressing liberty. "But in health, no ... our hearts revolt against the idea that one child with leukaemia should be treated, and another not, because of the luck of the economic draw." This is not the kind of talk to which we became accustomed during the previous decade.

The new minister's small achievement has not passed unnoticed. He [redacted] sounding like a Labour spokesman for the health service. So the opposition has chosen the NHS as the subject for tomorrow's debate in the House of Commons. It wants to knock Mr Waldegrave about a bit. Labour will always score tops in the public estimation of which party is likely to be a better manager of the NHS, but the Conservatives' success in narrowing the gap over the past six months may have begun to spoil its grand strategy.

That strategy is now obvious. Labour is running a permanent election campaign, at a level of intensity that seems to increase every week. The party's erstwhile strategic genius, Mr Peter Mandelson, helped Mr Neil Kinnock produce a policy review in 1989. That was "Meet the challenge, make the change". It was boiled down and re-edited to emerge last year as "Looking to the future". Mr Mandelson has a constituency [redacted] nurse, so [redacted] resigned [redacted] director of communications. The party's new strategists, directed by Dr John Cunningham, have learned the Mandelson lesson – that the essence of salesmanship is repetition, enhanced by incremental product development.

Labour has learned that the essence of salesmanship [redacted] repetition, enhanced by incremental product development

They are skilfully packaging and re-packaging the policy review papers, moving out specialist lines, looking for niche markets. To [redacted] just [redacted] examples, in February [redacted] given "Modern manufacturing strength"; in March "A new ministry for women". This morning [redacted] entire schmozzle will be re-issued in a fresh edition, [redacted] likely title, "Opportunity Britain", is [redacted] lift from Mr John Major. If Labour believes as firmly in the rest of capitalism [redacted] it does in its marketing methods no one need fear a Labour government.

[redacted] health niche [redacted] tackled in another [redacted] launch, "A fresh start for health". If you read [redacted] carefully you find that the essence [redacted] the government's new system has [redacted] accepted by Labour. The terminology is different, but public purchasers of health care will contract with providers. Labour [redacted] to take the concepts of competition and a market in [redacted] out of the reckoning, but whoever heard Mr Waldegrave mention such things, in public or in private? To his way of thinking the new independent hospital trusts are small versions of the old Morrisonian nationalised industries, which is why Labour may be disinclined to abolish them if it wins the election. As to all those Tory-installed computers churning out all those detailed cost estimates, Labour could only jettison them if it was insincere in its desire to enable the NHS to win the argument for more funds.

Meanwhile, the Conservatives [redacted] to produce a new basic policy [redacted], a continuous recycling exercise being beyond their dreams. In health, they will [redacted] draw [redacted] rich seam to be found in Labour's booklet. Mr Major has already pinched their charter for patients; Mr Waldegrave is working on a government green paper, due next month, that will proffer a new "health strategy". He has gone back to the Beveridge report, prepared during the Second World War, to find his guiding principles: prevention, cure and rehabilitation. It is the merest of coincidences that these also appear on page five of Labour's "A fresh start for health".

[redacted] Mr Clarke, [redacted] is undoubtedly in the right job now. [redacted] became [redacted] tary [redacted] education, [redacted] traditional lead in that area [redacted] begun to melt away, just as [redacted]. Mr Clarke is not being quite [redacted] rumbustious with [redacted] as he [redacted] with [redacted] doctors. His pro[redacted] on [redacted] need [redacted] simplify the [redacted] curriculum and move from complicated "assessments" [redacted] easily understood tests are popular with parents. And if he runs out [redacted] ideas there is [redacted] Labour's burgeoning bookshelf to rob. But he should be [redacted] about what he does with what he steals. His bluff, no-nonsense Tory way of [redacted] ting education policy could [redacted] the winning approach.

LETTERS

Don't encourage Third World defaults

From Lord Bauer

Sir, Mr James Skinner (Letters, April 11) charges me with misuse of statistics and understanding the debt burden [redacted] poor [redacted] Africa to support his contention.

The statistics I used refer to Latin America, the principal thrust of the argument of the Bishop of Oxford, which focused largely on Brazil. The bulk of African debt is owed to official lenders under various aid agreements. The debts represent loans with a substantial grant element.

The limiting case is the international development [redacted] loans, 50-year loans, unindexed for inflation, at zero interest. The debts of African countries have often been cancelled or rescheduled, frequently several times for the same country. To treat debt as necessarily burdensome also ignores the initial transfer of resources.

This is like saying that banks, building societies, and governments issuing saving certificates are burdened when they pay interest. If the funds are used productively, debt service is not a burden in the critical sense that the debtors would be better off if they had not borrowed.

I do not know what Mr Skinner has in mind in referring to institutions serving only western interests, and by clear implication inflict suffering on the poor. What I do know is that throughout Asia, Africa and Latin America the level of material achievement declines as we move away from the effect of western commerce.

To harp on alleged external causes of Third World poverty diverts attention from the real factors behind this poverty which are domestic, and thereby from the possibilities of addressing these. These factors include, among others, government policies and extensive, often enforced, dependence on precarious subsistence production.

It is pertinent also that the poorest are low among the priorities of the local rulers. State help for the poorest, especially the rural poor, conflicts with the political and personal interests of the rulers, and may not accord with local mores. Such considerations are reinforced by ubiquitous civil conflict. An Arab-dominated Sudanese government will not help the poorest blacks hundreds of miles away with whom it is in armed conflict; the Sinhalese government will not help the Tamil poor, nor will the government of Ethiopia the poor of Tigre.

As I said in my letter, harping on alleged western causes of Third World poverty reflects and reinforces feelings of guilt, which is a self-centred sentiment. Encouraging Third World countries to default inhibits the inflow of productive commercial capital, which, together with the skills that went with it, over the last 150 years transformed life in many poor countries, notably in south-east Asia, west Africa and Latin America.

Bauer
House of Lords,
Westminster SW1

Poll tax should not be included in the RPI

From Mr Dominic Hobson.

Sir, Esmond Lindop defends the inclusion of the poll tax in the retail price index on the grounds that it was decided not by statisticians but by the RPI Advisory Committee after "many hours of discussion" between the various interests represented on it (Letters, March 28). This is an exceptionally silly contribution to the debate over how we measure retail price inflation in Britain.

It is precisely because the RPI Advisory Committee is composed not of [redacted] and economists but of trade union representatives and low pay and social security lobbyists like Mr Lindop that it reaches such bizarre conclusions.

"Many hours of discussion" in a body composed largely of groups with a vested interest in bumping up the RPI are much more likely to be characterised by special pleading than intellectual rigour.

Rates were included in the RPI as part of the cost of housing. This was probably defensible but, as rigorous intellects recognised long ago, the community charge is not part of the cost of anything.

It is a tax. A tax is not a price and therefore has no place in a retail price index. I do not think any disinterested statistician or economist would dispute this observation.

Dominic Hobson,
23 Dulka Road, SW11

Bush decision over interference in Iraq courageous

From Dr Robert McGeehan.

Sir, Of course there is vexation as the world watches the desperate attempts of the Iraqi rebels to topple the regime of Saddam Hussein ("Anguish of victory", March 30), but the US refusal to become directly involved should not be equated with policy confusion.

It is all too easy to accuse the American president of failing to take advantage of the military success of Desert Storm as the Kurdish and Shia insurgents are brutally repressed.

George Bush's decision to keep out of the internal politics of Iraq is no less courageous than his determination to lead the allied coalition to victory in strict conformity with UN Security Council resolutions.

Could this great achievement in upholding international law really be well-served by subsequent unauthorised intrusion into the domestic affairs of even so guilty a leader as the Iraqi dictator?

Dr Robert McGeehan,
chairman, policy committee,
Republicans Abroad,
Kent House, Market Place, W1

No evidence to suggest that credit crunch is greater outside the US

From Mr Jeremy Hale.

Sir, Anthony Harris misrep[redacted] the case I made [redacted] remaining sanguine about the credit crunch issue ("Avoiding the crunch questions about credit", April 2).

It is not just that bank lending in four major economies – the US, the UK, Japan and Germany – is growing no more slowly than during the last two substantial world economic recessions. Survey data indicate that the decline in the growth rate [redacted] US bank lending is still closely related [redacted] weaker corporate demand [redacted] credit, leaving little room for supply restrictions to explain the slowdown.

Federal Reserve data show that the importance of banks as purveyors of credit to the economy has been on a declining trend for 20 years, with other sources such as the commercial paper markets becoming increasingly important.

According to the Securities Data Corporation, stock and bond issuance in US markets in the first quarter of this year was at a record high and 30.6 per cent up on a year ago. Elsewhere the evidence is more sketchy, but does not support the view that the crunch is greater outside the US.

In any country, there may now be greater-than-normal distress lending by the banks. I do not deny that the corporate sector is facing a severe squeeze, at least in the UK and the US.

What would be dangerous now would be for the authorities again to over-compensate for what will turn out to be a temporary period of economic weakness. History is replete with examples of overly expansionary monetary policies, which stoke inflation and do nothing to improve growth [redacted] medium term. This often occurs just when the justification for easy money appears "special". Remember the 1987 equity market crash and the need to ease policy aggressively to avoid a global depression in 1988?

To argue that the dollar's recent recovery is the result of the Federal Reserve's easy money policies is ridiculous. Since early 1989, US short rates have fallen from 10 per cent to just below 6.5 per cent and the dollar has depreciated by about 15 per cent against the D-Mark, even including a recent rally. It has been the belief that US rates are near a trough that has helped the dollar, not the market's confidence in the policies of Mr Greenspan. The latter will leave the US with the highest inflation rate in the Group of Five industrialised countries by the end of this year.

While I cannot speak for all City economists, my employers do not pay me to think like the Bank of England.

Jeremy Hale,
executive director,
Goldman Sachs International,
5 Old Bailey, EC4

FINANCIAL TIMES
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ECONOMIC REFORMS IN EAST EUROPE

Yugoslavian premier claims support of west

By Judy Dempsey, East Europe Correspondent, in London

MR Ante Markovic, the Yugoslav prime minister, has claimed the support of western governments for his economic reforms and his attempts to hold the country together, in the face of growing international opposition.

Some of the Yugoslav republics, notably Croatia and Serbia, remain determined to topple him. They will try to do so again on Friday when Mr Markovic will ask the federal parliament who is for or against the reforms.

Despite this dark shadow hanging over his future, Mr Markovic remains an optimist.

"We have succeeded in passing through this difficult period. The recent pledge of support – particularly from the United States and the European Community – means that Yugoslavia now has a greater chance at becoming integrated eventually into Europe," he said.

President George Bush last month sent a letter to Mr Markovic, backing his reforms.

In an interview with the Financial Times in London, where he is attending the inauguration of the European Bank for Reconstruction and Development, Mr Markovic, prime minister for the past two years, said that without western support, the country would disintegrate.

"Such a Yugoslavia is in no western government's interest. For some time, western governments adopted a 'wait and see attitude'. This played into the hands of separatists who have exploited this lack of western support for the federal government. It would have isolated Yugoslavia completely from Europe, and from the main financial institutions which are necessary for the reforms to succeed."

Mr Markovic admitted that his reforms have had little effect over the past year. His attempts to impose a strict monetary policy have been undermined by Serbia which earlier this year printed money to prop up lossmaking enterprises. Other republics were imposing higher taxes on enterprises to finance their budgets.

"Under these circumstances, capital investment was cut back and industrial production was falling. It will fall a further 20 per cent this year," he said.

Earnings from tourism, which total $2bn a year, are likely to plummet following a spate of ethnic unrest, the virtual collapse of JAT, the Yugoslav airline, and overpriced hotels and restaurants.

Mr Markovic believes that the present struggle waged by some of the republics against the federal government is not about whether Yugoslavia should remain a federation, or a confederation of loose states.

"This comparison is merely a facade. A struggle against the reforms is taking place. It is a struggle for power – and especially totalitarian power, which caused a great setback for the reforms. We are now paying for it."

Mr Markovic believes the reforms are being hampered, not only by nationalism, but by the absence of clearly defined property rights.

Last year, he had planned to replace socially owned property, a nebulous system devised by the late President Tito which placed property outside the hands of the state and individuals. "The basic conflict now is between those who support and oppose private ownership," he said.

The republic of Croatia, for instance, wants to transfer socially-owned property to the state, while the republic of Serbia is against individual ownership rights.

"The new governments know that if they support private ownership, they will lose their powers. That is why they want to have property in the hands of the state," he said.

Mr Markovic added that "sooner or later, the republics will have to address why state property is inefficient. If it was not, then the other countries in eastern Europe would not be trying to move state property into private ownership. Without this kind of ownership, we will not be able to develop democracy."

Ante Makovic: witnessing "a struggle for power"

UK exporters lose political risk insurance

By Ralph Atkins in London

Mr Tim Sainsbury, Britain's trade minister, heads his list of priorities for promoting exports with breaking down international trade barriers and creating the right framework for traders worldwide – policies that any follower of the former prime minister, Mrs Thatcher, would endorse. It is in keeping with the Department of Trade and Industry's reputation as the most Thatcherite in Whitehall. Analysis, Page 8

THE British government last night overturned draft legislation requiring it to continue insuring exports to politically risky developing countries for three years after the UK's Export Credits Guarantee Department is privatised.

Spurning urgent pleas from exporters, Mr Tim Sainsbury, trade minister, won backing in the House of Commons to quash an amendment introduced to the ECGD privatisation bill before Easter as the result of a Conservative backbench rebellion.

The bill will allow for privatisation of ECGD's short-term export credit insurance business.

Mr Sainsbury's announcement came in spite of lobbying by exporters, the Confederation of British Industry and the Labour party opposition to retain the clause. He said the amendment was technically deficient and failed to account for the complexity of the export and insurance markets.

The goods it covered accounted for less than 0.5 per cent of Britain's non-oil visible exports, the minister said.

Mr Sainsbury sought to appease exporters with an assurance that the need for a "national interest facility" for political risk reinsurance would be kept under review.

The government's intention was that the facility would continue as long as it was considered "essential to meet the reasonable needs of exporters".

The amendment, proposed by Mr Keith Hampson, Tory MP for Leeds North West, would have obliged the government to provide insurance or reinsurance against "political risk" for a minimum of three years after privatisation was completed.

It would have mainly covered exports to developing countries where political and economic crises could prevent even creditworthy customers from obtaining foreign exchange to pay their bills.

Exporters say they depend on such cover for sales to a range of countries, including important markets such as the Soviet Union, Hong Kong, India and South Africa. The loss of such support would deprive them of a valuable service available to their foreign competitors.

Mr Sainsbury's announcement was greeted with scepticism by some Tory backbenchers who feared the decision could sour the government's reputation with exporters.

Ms Joyce Quin, Labour's spokesman, said many companies feared they would be left "high and dry" and the government's decision was "disgraceful".

Brazil ends latest price freeze but maintains controls

By Christina Lamb in Brasilia

BRAZIL is to start lifting its 10-week-old price freeze today, returning to the system of price controls dropped by President Fernando Collor last year.

New price increases will be based on inflation forecasts rather than past costs and be decided on a sector-wide basis by selected groups of businessmen, unions and government officials.

The controls had run contrary to the Collor administration's commitment to a free market. But Mr Antonio Kandir, Brazil's chief economic policymaker, said: "We must keep controls until we have some stability. We cannot lift controls while there are still 20 per cent of businesses doubting us because those 20 per cent will immediately put up prices fearing another freeze, and set us back on the inflationary spiral."

The price freeze is the fifth in five years. Previous attempts have been widely criticised because the moment they are lifted inflation starts to rise again.

Mr Kandir defended the freeze. "We were heading for hyper-inflation and had no option but to reduce inflation in this artificial manner."

He added: "The freeze has not been as much of catastrophe as our critics said and I think people are beginning to understand what we did was right. It was a risk but predictions of shortages and of an explosion of the dollar were unfounded."

Inflation this month was 7 per cent when everyone was predicting 12 or 15 so already things are starting to improve. Once we have had two more months of low inflation confidence will return and we can drop controls."

Mr Kandir said no more economic packages were planned "providing no more Saddam Husseins emerge". The increase in oil prices caused by the invasion of Kuwait encouraged speculation and led to spiralling inflation, forcing the government to impose the freeze, he said.

Mr Kandir issued a warning to industries in Sao Paulo which are already breaking the wage freeze by offering pay increases above the government's recommended levels. They would be the last to have price controls lifted, he said: "Those increasing salaries must be making enough profit not to need price increases."

Court threat to inflation fight, Page 6

Stricken tanker still holds bulk of its cargo

By Haig Simonian in Milan and Deborah Hargreaves in London

OVER 700,000 barrels of oil are estimated to be still on board the Haven, the Cypriot-registered supertanker which sank off Italy's north-west coast, threatening an environmental disaster in some of the most scenic parts of the Mediterranean.

Admiral Antonio Alati, the harbourmaster at Genoa, said yesterday that some 724,000 barrels of the original 1m barrels remained on board. The 232,163 deadweight tonnes tanker – a sister vessel of the Amoco Cadiz which caused a pollution disaster off France in 1978 – sank on Sunday after an explosion started a fire.

Pollution experts say removing the crude is likely to prove more difficult and costly than the clean-up operation of the oil already spilled. If the vessel's valves are still workable, the crude could be pumped out through a hose. Otherwise, it would be necessary to make a hole in the side of the tanker and suck it out.

The whole operation could cost as much as $50m if recovering the oil takes as long as it did when the tanker Tanio sank off the coast of Brittany in 1980. But pollution experts say it is too soon to estimate the cost.

The Italian government will be able to draw on funds for the clean-up from a fund set up by the International Maritime Organisation. A formula based on the size of the ship makes the tanker owner, which is registered as Venha Maritime in Cyprus, liable for the first $18m of the clean-up cost. After that, the fund will provide supplementary payment up to $81.5m.

Good weather yesterday helped efforts to deal with the existing six-mile oil slick. But light winds were blowing the slick towards the French coast, causing concern on the French riviera and in Monaco that the oil might wash ashore. Despite anti-pollution booms, some oil has already reached Italian beaches.

Further to the south off Livorno, attempts continued to put out fires on board the Agip Abruzzo, the tanker which was rammed by the ferry Moby Prince on Wednesday night.

Local firefighters said the tanker could continue to burn for days without igniting its remaining cargo of crude, amid signs that the fire was growing smaller.

The tanker, which was carrying 442,000 barrels of Iranian light oil when rammed, was not leaking oil yesterday. Emergency services said the estimated 162,000 barrels that had leaked so far had created a 1½ square mile (3.9 sq km) slick, which was under control and drifting away from shore.

According to the local fire service, the fire on board was being fed by the ship's engine fuel and not by the crude. Fireboats are washing the tanker down with a mixture of water and fire-smothering chemicals. Once extinguished, fire fighters could introduce inert gases into the vessel's forward tanks to further reduce the possibility of an explosion.

Meanwhile, the death toll from the disaster has risen to at least 141. Only 42 of the bodies removed from the Moby Prince, which has now been towed into port, have so far been identified.

The lack of a full passenger list and the fact that many passengers probably came aboard at the last minute has raised fears that the actual death toll may be much higher. The disaster has focused attention on Italian maritime safety standards. It emerged that it took about an hour for rescue attempts to be mounted following Wednesday's collision.

On Friday, Italian seamen staged a two-hour strike in protest at what they claimed was lax implementation and supervision of safety rules by the authorities.

However, the disclosure at the weekend that there was no fog off Livorno at the time of the collision, in contrast to earlier reports, and that electrical systems on the ferry appeared to be working properly has raised speculation that the tragedy was caused by human error.

EBRD will 'unite Europe'

Continued from Page 1

ing in the bank's capital of European Community countries appears to pose difficulties for the US. Mr Nicholas Brady, the US treasury secretary, struck one of the few discordant notes at yesterday's events, saying that developments in Europe contained a special problem for the US.

"We should not be asked to accept the lowest common denominator that emerges from EC debate as the basis for international negotiation," he said. "And we cannot be asked to negotiate the same issue twice – once with the EC as a whole and then again with the individual member states."

Mr Attali said the EBRD, as the first institution of the post-Cold war period, brought together former political, economic and ideological adversaries "who would have found it unimaginable two years ago to be seated round this table today."

He hoped that the bank would help bring into existence a common European house or confederation.

The EBRD has an overt political goal in that the former Communist states that it has been set up to help must be "committed to and applying the principles of multi-party democracy, pluralism and market economics."

Japan blocks Polish loan

Continued from Page 1

write off debts will encourage others to do the same.

Moreover, Japanese officials argue that the US also used to insist on making debtors pay. It is Washington which has changed its tune for political reasons, Japanese officials say. Japan fears other countries will be favoured for similar non-financial reasons, including Egypt.

The argument comes at a time when Japan also wants to inject more political content into its aid policy. Last week, the Japanese government approved a new overseas development aid policy under which Japan will check on a country's defence spending and arms exports before extending support.

The policy may not be rigorously applied – Japan has already indicated that aid to China, a big arms exporter with a big army, will not be affected. But Japanese intent to secure greater influence in aid policy is unmistakable.

In the case of Poland, the Finance Ministry official conceded that the prime minister had made a promise of new loans to Poland. But he said: "The situation changed after the Paris Club. I can't say now when the loan will be made or if it will be made at all."

THE LEX COLUMN

Stick to the devil you know

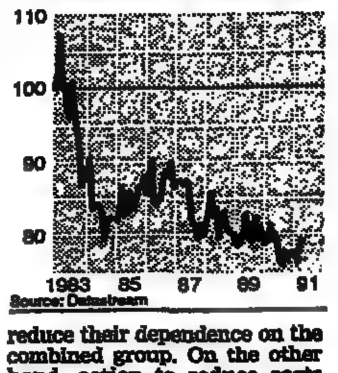
General Accident's ignominious exit from NZI Bank is perhaps an appropriate finale to the financial swashbuckling of the late 1980s. No wonder the market is littered with corpses when a prudent Scottish financial institution like General Accident - which in the two previous less eventful decades strayed no further from its native Perth than the dales of Yorkshire - suddenly throws caution to the winds and buys into an unfamiliar business at the far end of the world.

The cost of General Accident's escapade is unclear: anything between 10 per cent and 20 per cent of shareholders' funds, depending on how generous a valuation is put on the remaining insurance assets. Whereas the Prudential and Guardian Royal Exchange can be fairly certain that the book is closed on their estate agency and Italian non-life blunders respectively, GA shareholders may not necessarily have heard the last of this one. Winding down a bank which nobody else wants to buy - notwithstanding the company's assurance that the loan portfolio is clean - generally proves an expensive and time-consuming business.

The market has become numbed by bad news from the composites. Yesterday's 7p fall in the shares to 555p reflected merely the disappointment of earlier hopes of finding a buyer for NZI. Meanwhile, it is back to basics for GA in the sober knowledge that net assets were actually lower last year than at the end of 1983 - a period in which dividends and premium income have almost trebled. At least there is the comfort that the stock market is still prepared to buy the shares at a 12 per cent premium to estimated net assets.

General Accident

Share price relative to the FT-A Insurance Composite Index



Source: Datastream

Coats/Tootal

The best bit of the Coats/Tootal battle is possibly yet to come. Once the bidder improves its offer and adds a little paper – surely a prerequisite for a successful campaign by this stage – the gloves are likely to be well and truly off. Attacking Coats's own rather dismal acquisition record is really Tootal's best hope. Certainly, its claim to continued independence as set out in yesterday's second defence document still looks quite thin. Granted, the management axe is finally being wielded; and indeed, there is a danger that customers like Marks and Spencer will look for alternative suppliers to reduce their dependence on the combined group. On the other hand, action to reduce costs should have been taken earlier; and inconvenient as it may be for Tootal, its gushing enthusiasm for the idea of the merger is set out in black and white in the Office of Fair Trading report of 18 months ago. The game is still Coats's if it wants it.

Markets

The sight of sterling yesterday bumping up against the DM3.00 level had its worrying aspects. However strong sterling may be, the UK money markets have decided that further base rate cuts are ruled out for the time being by domestic inflationary pressures. This makes for a combination of high interest rates and strong currency which begins to look familiar. For the UK corporate sector, it is just the regime designed under the ERM to squeeze inflation out of the system the hard way.

What makes this situation perverse is the route by which it has been arrived at. Sterling's strength is merely an illusion caused by D-Mark weakness. Since the turn of the year, the D-Mark has fallen by over 10 per cent against both the dollar and the yen. Against sterling it has fallen only 4 per cent. As Mr Tietmeyer of the Bundesbank remarked yesterday, German domestic conditions make a strong D-Mark and high German interest rates independently desirable. However much further the D-Mark has to fall in the short run, that logic will doubtless prevail eventually. What price the UK corporate sector then?

There is a counter-argument which points to the unusually high level of capital investment by UK companies in the late 1980s and the scope this might give for productivity improvement in the early 1990s. UK business investment as a proportion of GDP peaked at 17 per cent in 1989, compared with only 12 per cent in 1985. Conceivably, this might allow UK productivity to improve just as German productivity is weakening under the strain of unification. If so, nominal wage settlements in the UK might be able to continue at a relatively high level without leading to overvaluation of sterling. The snag is that this suggests UK industry managing its affairs better than its German rivals for the first time in living memory. With the UK equity market poised just below its all-time high, it might be unwise to take that on trust.

Morgan Crucible

However it is presented, the £96m rights issue accompanying Morgan Crucible's annual results is pretty cheeky. The ink has barely dried on last summer's £79m acquisition-driven cash call, when new shares were offered at 30p more than yesterday's issue. While there was a healthy £10.3m profits contribution from the businesses bought with the proceeds, Morgan shares have underperformed the index by 11 per cent since last July and by 24 per cent over five years.

Yesterday's call at a mere 218p was not helped by accounting of the sort discouraged by the new Accounting Standards Board. A one-off £4.3m currency gain was taken straight into operating profit, while £2.5m of back-dated interest receivable was curiously booked to financing charges when it should logically have been treated as either an extraordinary item or an occasion to adjust previous years' figures.

This distorted the picture of what otherwise was a poor second half in which underlying profits fell by more than 15 per cent from 1989 to £26.2m, and margins slipped below 10 per cent. Put like that, the rights issue looks somewhat weaker. All the same, there are signs that Morgan has hit upon a better strategic plan. Getting out of defence and car care marks the expensive end of a failed 10-year experiment, but the core businesses should be the stronger if some of the promised acquisitions can be completed at bombed-out prices. Patient shareholders will probably find the 7.6 per cent yield on the new shares irresistible. Morgan may be given the benefit of the doubt this time, but it will need to mind its manners.

WORLDWIDE WEATHER

City		°C	°F
Ajaccio	S	19	66
Algiers	F	21	70
Amsterdam	S	18	64
Athens	C	18	64
Bahrain			
Bangkok	F	36	97
Barcelona	C	15	59
Beirut	-	-	-
Belfast	S	13	55
Belgrade	C	17	63
Berlin	S	19	66
Biarritz	R	12	54
Bombay			
Bordeaux	C	18	64
Boulogne	F	14	57
Brussels	S	19	66
Budapest	C	17	63
Buenos Aires	R	22	71
Cairo			
Cape Town			
Caracas	C	29	84
Casablanca	C	17	63
Chicago			
Cologne	F	21	70
Copenhagen	S	15	59
Corfu	S	19	66
Dallas			
Dublin	S	10	50
Dubrovnik	S	18	64
Edinburgh	F	13	55
Faro	F	14	57
Florence	F	23	73
Frankfurt	S	19	66
Geneva	S	16	61
Gibraltar	F	17	63
Glasgow	S	15	59
Helsinki	C	4	39
Hong Kong			
Innsbruck	S	17	63
Inverness	S	12	54
Islamabad	C	23	73
Istanbul	F	11	52
Jakarta	C	30	86
Jersey	C	11	52
Johannesburg			
Lima			
Lisbon	C	13	55
London	F	11	52
Los Angeles			
Luxembourg			
Madeira	C	18	64
Madrid	Dr	10	50
Majorca	F	14	57
Malaga	S	18	64
Malta	F	18	64
Manchester	S	13	55
Manila	C	30	86
Melbourne			
Mexico City	C	30	86
Miami			
Milan	S	17	63
Montreal			
Moscow	C	13	55
Munich	S	16	61
Nairobi			
Naples	S	20	68
Nassau	C	27	80
New Delhi			
New York			
Nice	S	19	66
Nicosia	S	23	73
Oporto	F	15	59
Oslo	S	14	57
Paris	S	18	[illegible]
Peking			
Prague	F	18	64
Reykjavik	S	4	39
Rhodes	S	19	66
Rio de Janeiro	F	[illegible]	[illegible]
Rome	S	18	64
Salzburg	S	18	64
San Francisco			
Seoul			
Singapore			
Stockholm	F	14	57
Strasbourg	S	20	68
Sydney			
Taipei			
Tangier			
Tel Aviv	F	21	70
Tenerife	C	19	66
Tokyo			
Toronto			
Tunis	S	20	68
Valencia	R	14	57
Venice	S	20	68
Vienna			
Warsaw			
Washington			
Zurich	S	16	61

Temperatures at midday yesterday C-Cloudy Dr-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sunny Sl-Sleet Sn-Snow T-Thunder

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INSIDE

Results take a bite out of Apple shares

Apple Computer's share price tumbled almost $10 to $61½ from a Friday close of $71¾ when the personal computer manufacturer reported disappointing second-quarter results. Financial analysts were worried about declining gross margins — from 54.7 per cent in the second quarter last year, to 48.8 per cent. The decline brings into question Apple's strategy of increasing its share of the personal computer market by offering lower-priced versions of its personal computers. Page 20

Back to school for ADT

Difficulties in finding backers for a UK government education project could cost ADT, the Bermuda-based car auctions and security group, up to £1.7m ($3m). ADT is by far the largest corporate sponsor of a City Technology College — high-tech secondary schools which the government hopes will be mostly financed by private industry. But failure of businesses to come forward means that ADT may well have to take up the slack for one London CTC. Norma Cohen reports. Page 27

And now for the bad news

A sharp drop in IBM's profits, announced last week, drove home the message that the first quarter would be an exceptionally difficult one for corporate America. Wall Street is bracing itself for some nasty shocks as it enters the results season [illegible]ing the period disrupted by the Gulf cris[illegible] [illegible]e 22

Turriff loss prompts shake-up

Turriff Corporation, the heavily-indebted UK construction and plant hire group, is to reorganise its business by pulling out of house-building following a pre-tax loss of £933,000 ($1.6m) during the 12 months to the end of December. Chairman Mr Astley Whittall (left) said the group would not pay a final dividend for last year but he would be disappointed if it did not make at least a final payout this year. Page 27

Market Statistics

Companies in this section

Chief price changes yesterday

FRANKFURT (DM)				PARIS (FFr)			
Rises				**Rises**			
Deckel	162	+	4	BIC	792	+	8
Goldschmidt	715	+	15	Bancaire Cie	600	+	8
Karstadt	613	+	31	Schneider	797	+	15
Sud Chemie	628	+	23	UAP	580	+	8
Wella Prf	748	+	16	**Falls**			
Falls				BSF	778	−	[illegible]
AEG	206	−	4	Oreal	218	−	[illegible]
NEW YORK ($)				**TOKYO (Yen)**			
Rises				**Rises**			
AT & T	35½	+	⅛	Chuo Denki	1340	+	[illegible]
Chase Manhattan	18½	+	⅞	Kosugi Sangyo	954	+	[illegible]
Primerica	32⅛	+	⅞	Mitsuwa Van	1130	+	[illegible]
Falls				Nippon Steel	800	+	[illegible]
Hasbro	25¾	−	½	Tosho Printing	1120	+	[illegible]
NCR	98⅞	−	⅝	**Falls**			
Tonka	4⅝	−	¾	Narasaki Sangyo	750	−	44

New York prices at 12.30.

LONDON (Pence)							
Rises				Sage	239	+	16
Airtours	357	+	13	Shell Trans.	511	+	12
Brent Walker	71	+	6	Sherwood Comp	122	+	15
Bristol Eve. P	315	+	50	Turriff	82	+	14
Castle Mill	18	+	2½	Wood (JD)	89	+	10
French Conncin	47	+	12	**Falls**			
Hi-Tec	100	+	8	Allied Lds.	104	−	5
Liberty	595	+	20	Morgan Cr'ble	256	−	14
Maxwell Comms	239	+	14	Rank Orgn.	725	−	11
Oliver Hdgs	85	+	10	Sema	349	−	24
Porth	11	+	3	UK Land	113	−	12
Radio City	251	+	11				

Chase Manhattan bounces back

By Bernard Simon in New York

CHASE MANHATTAN, which seemed just six months ago to be one of the most critically ill of the US retail banks, has bounced back with a near-trebling of first-quarter earnings.

North America's second-largest banking group posted net income of $117m (73 cents a share), up from $44m (20 cents a share) a year earlier.

Lower funding costs and an increase in high-margin consumer lending pushed up net interest income to $841m, from $814m last year.

Fees and commissions rose 8 per cent to $380m, including a 25 per cent jump in consumer banking charges.

Although non-performing loans continue to loom large in the bank's business, Chase's chairman, Mr Tom Labrecque, said he was "encouraged" by the latest results.

Analysts were especially heartened by the improved control over operating expenses, which fell 2 per cent to $936m. Total assets slipped to $100.5bn from $107.3bn, but return on both assets and shareholders' equity improved markedly, in the latter case from 2.3 per cent to 10.1 per cent.

Although Chase's earnings were roughly in line with recent forecasts, its share price climbed 88 cents yesterday morning on the New York stock exchange to $18.50. The share price is now almost double the low reached last year when the group sharply cut its dividend to reflect spiralling loan losses, especially in US property.

Mr Stephen Berman, banking analyst at County Natwest in New York, said yesterday that "there is some light at the end of the tunnel. Their problems don't seem to be totally out of control."

Chase had mixed news on the problem-loan front. On the one hand, non-accrual commercial property loans continue to mount, rising to $2.1bn on March 31, from $1.8bn last December and $884m a year ago. Other domestic non-accrual loans climbed to $761m from $723m last December.

But the rate of increase in loan write-offs slowed — and in some types of business was reversed — during the first quarter.

Loan-loss provisions were $240m, up from $225m a year earlier. Actual loan write-offs, net of recoveries, totalled $270m, down from $325m. The latest figure includes $19m in write-offs on Third World debt refinancings compared to $191m a year earlier.

AT&T to replace four NCR directors

By Louise Kehoe in San Francisco and Karen Zagor in New York

AMERICAN Telephone and Telegraph (AT&T) has succeeded in ousting four directors of NCR, the fifth-largest US computer manufacturer, including the chairman, Mr Charles Exley.

NCR said that following certification of the results of a shareholders' vote last month, it is expected that AT&T's four nominees will replace Mr Charles Exley Jr, chairman and chief executive; Mr Gilbert P. Williamson, president; Ms Cathleen Morawetz; and Mr William Bowen.

AT&T had tried to win control of NCR's 12-member board of directors as part of its hostile takeover bid. NCR claimed victory in the proxy battle, however, because AT&T failed to remove all of its directors. NCR has also said that it might expand the board to reinstate any ousted directors.

AT&T launched a $90-per-share bid to acquire NCR last December. Subsequently, it raised the offer to $100 per share, or $6.8bn, if NCR would agree to a merger and remove its anti-takeover defences, or if the entire board were replaced.

NCR's board has rejected the $90-per-share bid as "grossly inadequate" and Mr Exley has said that a price of $110 per share, or about $7.5bn, is not open to negotiation.

At NCR's annual and special shareholders' meetings on March 28, AT&T won votes from 52.6 per cent of the computer group's shareholders at the special meeting and 51.5 per cent at the AGM.

The votes give AT&T the simple majority needed to replace four of NCR's directors, but fall far short of the 80 per cent required to replace the entire board.

Mr Exley said: "We are especially pleased with AT&T's low total vote in light of AT&T's pre-meeting predictions that they could achieve an 80 per cent vote to remove our entire board."

NCR also reported its first-quarter results yesterday. Earnings for the quarter fell 12 per cent, partly due to the expenses involved in its struggle against AT&T.

First-quarter earnings were $46m, or 70 cents per share, down from $52m, or 73 cents a share, in the same period a year ago.

Revenue rose to $1.36bn from $1.27bn in the same period a year ago.

NCR said earnings would have been 6 cents-per-share higher had it not been for the special charges of $7m related to the AT&T bid.

General Accident to close NZI Bank

By Richard Lapper in London and Terry Hall in Wellington

GENERAL Accident, one of the UK's leading insurers, is to wind down its New Zealand bank subsidiary, NZI Bank, ending its unprofitable foray into Australasian banking.

Mr Barry Holder, general manager of GA, said of the decision: "This is a positive but a possibly unpalatable move."

GA acquired the bank when it bought a majority stake in NZI Corporation in June 1988.

It will retain control of NZI's insurance subsidiary, which is one of New Zealand's biggest insurers, as a base for developing its activities in the Pacific Basin.

GA's overall losses as a result of the deal are expected to amount to at least £200m ($354m). Mr Holder said that GA had been seeking a buyer for NZI Bank soon after acquiring majority control of the company.

GA was taken aback by the deterioration of the bank's loan book, sustaining operating losses of more than £70m between 1988 and 1990.

Mr Holder accepted yesterday that the acquisition of the bank had been "a mistake".

GA had now restored the bank to profitability — pre-tax profits of NZ$7.8m ($4.6m) were recorded in 1990.

However, it had been unable to find a buyer and was now seeking to unload the bank's Australasian loan portfolio, cash management accounts in New Zealand and a merchant bank in Singapore.

Mr Holder said that the bank was now fully provided for against any future losses that might arise on its remaining business. "I do not expect any further surprises," he said.

NZI Bank chairman, Mr Jim Macaulay, said he expected most of the 27,000 depositors would accept repayment within six months. But, if the loans could not be sold, it would take up to five years to wind down the bank totally.

The bank handed out redundancy notices to 90 of its 360 staff yesterday and will be terminating the contracts of a further 30 employees before the end of the week.

Mr Macaulay said the closure should be seen as the first move in a shake-out of the overcrowded New Zealand banking sector, which was deregulated in 1987. The number of registered banks had risen in that time from four to 21.

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Richard Lapper reports on an ill-fated diversification

A General Accident waiting to happen

General Accident's decision to break up or close down the banking operations of its New Zealand subsidiary, NZI Corporation, could be said to close a sorry chapter of acquisitions by the UK's leading insurers.

Within the last six months two other companies — Prudential Corporation and Guardian Royal Exchange — have both disposed of expensive acquisitions made within the last five years and incurred heavy losses as a result.

Prudential accepted last month that its losses from selling off its estate agency chain would amount to £334m ($595m). GRE announced late last year that the costs of writing off its investment in an ill-judged venture in the Italian insurance market would amount to about £70m. Now it is Perth's turn to bite the bullet.

GA spent about £460m in acquiring NZI Corporation in 1988 and 1989, then sustained costs of over £100m in operating losses and interest charges. It is now left with an insurance company that has net assets worth anything between £250m and £400m. Losses on the deal look likely therefore to be be at least £200m, roughly 14 per cent of the company's shareholders' funds at the end of 1990.

GA's problems down under can be traced to the climate of the mid-1980s, when its assets were growing strongly because of rising share prices and property. GA felt the need to expand. "They were under pressure to do something," says Mr Chris Pountain, an analyst with Morgan Stanley, "there was a feeling they'd run out of ideas."

Mr Ian Menzies, a corporate financier who joined GA from Schroders merchant bank in 1985, helped introduce sophisticated financial engineering skills to a company long dominated by a conservative actuarial approach. In 1986, GA bought the Ontario motor insurer, Pilot.

Two years later, acting quickly and in the face of a lot of competition, GA paid £353.2m for a 51 per cent stake in NZI, including a 38 per cent stake bought from Mr Ron Brierley, the New Zealand entrepreneur. The rest of the stake was acquired by backing some of its existing Australasian assets into NZI. In 1989 GA purchased the remaining minority interests in NZI for £110m.

NZI, formed in 1981 when the New Zealand Insurance Company merged with the South British Group, had long been regarded [illegible] one of the most competent and profitable insurers in Australasia. It was — and remains — the biggest insurer in New Zealand with a market share of over 22 per cent, and had built up impressive shares of Pacific Rim markets like Malaysia, Singapore, Thailand, the Philippines and Japan.

GA felt NZI [illegible] well placed to benefit from th[illegible]eady growth in the region's insurance business. According to Mr Tom Bennett, an analyst with Banque Paribas Capital Markets, the potential for growth in the Pacific Basin made GA believe that it was "backing certain winners."

Enthusiasm for the area led GA to underestimate problems linked to the size and character of the group's banking business, which had been built up in the mid-1980s.

Mr Barry Holder, GA's current general manager, who has been leading the group's efforts to unravel the bank's problems, says: "Within five minutes of acquiring the bank we wanted to sell it."

Provisions against bad [illegible] increased from 2.8 per cent of advances in March 1988 to 11.6 per cent in March 1989. Defaults on a number of big commercial property loans in Australia, coupled with the collapse of large number of corporate customers in New Zealand were largely responsible, said Mr Holder.

Mr Holder says that GA "was locked into the bank by buying a good insurance business" but accepts that the purchase of the bank was "a mistake". The group has successfully turned round the bank — it earned a small profit last year. Efforts to find a buyer have been bedevilled, however, by New Zealand's economic problems and widespread scepticism among international bankers about prospects for Australasian markets in general.

So the bank will now be wound down. Mr Menzies, the corporate financier, left GA at the end of last autumn. The group now intends to concentrate on its insurance business, emphasising its traditional strengths of sound underwriting. Mr Holder, its general manager, said yesterday: "Credit risk assessment is bankers' business . . . still fraught with difficulties in that part of the world." The group intends to move back towards a more conservative financial approach, an orientation which has been followed since the conclusion of a strategic review last year.

GA undertook the review following the overhaul of senior management which took place in the wake of the retirement of its former chief general manager, Mr Buchan Marshall at the end of 1989. "We decided to refocus on our traditional strengths," said Mr Marshall's successor, Mr Nelson Robertson, last year.

The group has already embarked upon an extensive rationalisation of its UK business. Announcing pre-tax losses of £121m in March, Mr Robertson said he aimed to reduce staff costs by as much as 20 per cent in the company's branch network.

On the surface GA is now well placed to consolidate. The resurgence in in the stock market since January has helped to produce a recovery in GA's asset base and strengthened the group's solvency ratio (net worth as a percentage of premiums).

But some — smaller — banana skins still lie ahead. The possible nationalisation by the Ontario provincial government of the local motor insurance industry would wrest control of the successful Pilot subsidiary from GA, leading to possible losses of £12m. GA's chain of estate agents has been losing money. And although the company is confident that no further provisions will be needed for NZI Bank, some analysts are sceptical. Even if there is no further price to pay, however, the memory of the 1980s burst of expansion is likely to trouble GA's cautious, conservative managers for years to come.

Berlusconi supporters sweep to Mondadori board victory

By Haig Simonian in Milan

MR SILVIO Berlusconi yesterday scored a significant victory in his battle for control of the media group, Mondadori, with the election of a board weighed heavily in his favour. The new managing director is also expected to be a Berlusconi man: Mr Franco Tato.

Mr Tato is a former senior executive of Olivetti, the Italian computers group controlled by Mr Carlo De Benedetti, Mr Berlusconi's rival for control of Mondadori.

Mr Tato, who shifted to the Berlusconi camp soon after he left Olivetti last October, will replace Mr Corrado Passera, a close De Benedetti aide, as Mondadori's top executive.

Mr Passera was appointed in the post after Mr De Benedetti regained control of the group last July.

Since then, the pendulum has swung firmly back in Mr Berlusconi's direction. This is largely due to several court decisions which have loosened Mr De Benedetti's control of the company, despite continuing legal efforts to reassert his grip. That process

Berlusc[illegible]: election win

culminated in the election yesterday of a new 15-member board, 10 of whom represent Mr Berlusconi and allied members of the Mondadori and Formenton families, against five for the De Benedetti side.

Meanwhile, speculation has again increased about the chances of a negotiated settlement of the Mondadori dispute following the recent intervention of Mr Giuseppe Ciarrapico, a leading Rome-based entrepreneur closely associated with Mr Giulio Andreotti, the prime minister.

Mr Ciarrapico has revived the idea of dividing the group between the De Benedetti and Berlusconi sides. He also proposes a financial settlement based on the differing values of the assets assumed.

As before, the plan involves the transfer to Mr De Benedetti's CIR holding company of La Repubblica, Italy's biggest-selling newspaper, and L'Espresso, a leading news magazine. The deal could also include Panorama, the country's top-selling news magazine, and a chain of local newspapers.

However, Mr Passera, who has consistently stressed the damage being done to Mondadori by continuing uncertainty over its fate, warned that the chances of an easy settlement should not be exaggerated. Agreeing on a figure for the settlement may prove the stumbling block — as it did in last summer's abortive talks.

Apple shares plunge [illegible] results dismay Wall St

By Louise Kehoe in San Francisco

APPLE COMPUTER'S share price fell by more than $10 yesterday to $61½ at midday from a Friday close of $71¾ when the personal computer manufacturer reported disappointing second-quarter results.

Net income declined slightly to $131.1m from $131.8m in the second quarter a [illegible] ago, while per-share earnings increased [illegible] $1.07 from $1.04. Analysts had been predicting per-share income of about $1.17.

[illegible] for [illegible] quarter grew to $1.6bn, up 23 per cent from $1.3bn last [illegible]

Apple said [illegible] shipments [illegible] popular Macintosh personal computers [illegible] about 85 per [illegible] compared with the same quarter a [illegible]

International [illegible] accounted for [illegible] per cent [illegible] total [illegible] marking the first time Apple has raised more than half of [illegible] revenues outside the US.

It [illegible] however, the decline in Apple's much vaunted [illegible] margins – to [illegible] per cent from [illegible] per cent – that raised alarm among financial analysts.

The decline brings into question Apple's strategy of increasing its share of the per[illegible] computer market by offering lower-priced versions of its Macintosh personal computers, albeit [illegible] lower profit margins.

Apple maintained, however, that the decline in profit margins was expected. "Our operating results demonstrate our ability to effectively [illegible] the changing economics of our business.

"Our selling expenses grew just one third as fast as revenues, and we reduced our total operating expenses as a percentage of sales,"said Mr John Sculley, chairman and chief executive.

"We are very pleased with our second-quarter results. We saw strong demand for our new lower-priced products, and [illegible] result, we experienced [illegible] growth [illegible] our US business and continued strength in [illegible] international sales."

Apple [illegible] expected [illegible] launch [illegible] new range of "notebook" portable computers this year.

For the six-month period, Apple's net income was $281.7m, or $2.35 per share, up from $256.7m or $2.00 last time. Revenues rose to $3.3bn from $2.8bn.

Morgan Crucible lifts profits 10% and makes rights issue

By Charles Leadbeater, Industrial Editor, in London

MORGAN CRUCIBLE, [illegible] industrial materials manufacturer, yesterday announced a £96.1m rights issue, before reporting [illegible] 10 per cent increase in pre-tax profits [illegible] ($106.6m) for 1990.

The rights issue, which Morgan said was intended to allow it to take advantage of international opportunities for acquisitions created by recession, comes 10 months after its previous cash call of £78m.

Morgan joins a growing list of companies, many of them construction groups, which have launched rights issues in recent wee[illegible]

Dr Bruce Farmer, Morgan's chief executive, said it was exploring at least five acquisitions, including two in the US and one in Germany.

The one-for-four issue at 218p per new ordinary share will also finance two acquisitions completed after the end of the [illegible], Dulmison in Australia and the Solder [illegible] Company in California, which together cost about [illegible]

Morgan's previous rights [illegible] priced at [illegible] The company's shares closed 14p down [illegible] 256p.

Dr Farmer [illegible] company had planned [illegible] a [illegible] of consolidation. [illegible] with [illegible] debt rising from £110m to £118m last year a rights issue was the "lesser evil" in raising finance for acquisitions.

Morgan plans to sell the car care side of Holt Lloyd, which it acquired in 1987 and dispose of its defence businesses which account for much of the electronics business it has attempted [illegible] build [illegible] the [illegible]

Meanwhile [illegible] Monopolies and Mergers Commission is still investigating last year's £50.9m acquisition of Manville International's European refractory [illegible] The restructuring will focus Morgan upon its traditional core areas in carbon and ceramic products.

Dr Farmer said the case for the rights issue was borne out by the performance of last year's acquisitions, which contributed [illegible] to group turn[illegible] rose from £522m in [illegible] and £10.3m in operating profits, which [illegible] from £66.3m to £71.7m.

[illegible] profits of £60m against £54.5m last time were helped by a one-off fall in net financing charges and currency hedging. Morgan had a tough second half, with operating profits falling in three of its five divisions compared with the first six months. Capital expenditure was cut by about 40 per [illegible] from £22m.

Earnings per share fell to 24.7p from 25.8p after fully diluting for last year's rights issues. The directors are easing the way for the rights issue by recommending a final divided of 6.75p, to bring the dividend for the year to 12.4p, a 6 per cent rise.

The issue is being underwritten by Morgan Grenfell and the brokers to the issue are Cazenove and County NatWest Wood Mackenzie.

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Perrier wins trickle from [illegible] Catalan source

By Peter Bruce in Madrid

THE FRENCH may not have won a battle this important in Spain since they took Barcelona in the War of the Spanish Succession 277 years ago.

A Catalan court has ruled that the French mineral water giant, Perrier, had a rightful claim to a small fee for every litre of water sold by the only producer of naturally carbonated water outside of France, Vichy Catalan.

Although Perrier will earn a mere $1,040 a year from the ruling, the victory is an important legal foothold from which to press its attack on Europe's fastest growing mineral water market. It has taken the French much of this century to break through [illegible] Catalan defences.

The story begins in 1881, when [illegible] Catalan doctor, Modest Furest i Roca, discovered a spring near Gerona whose waters [illegible] those he had once enjoyed in Vichy, France. His enthusiasm for the bicarbonated waters persuaded some Catalan businessmen to back his plans to bottle it.

Furest apparently registered the name Vichy in Spain first. Today the company is the biggest supplier of fizzy and still mineral waters in Spain.

Since Perrier took over management of Vichy Celestins more than 40 years ago it has tried desperately to enter the Spanish market with a vichy water. Catalan courts have handed down victory after victory to the home team.

In 1988, however, the stalking French managed to buy about 6 per cent of Vichy Catalan from one of the five Furest descendants, for about $2.5m. Since then it has argued in the courts that it has a right to the canon each of the descendants gets on a litre of Vichy Catalan sold (one fifth of a peseta per litre) and to inspect production.

Last year a lower court in Barcelona would not admit the acquisition. But Perrier appealed and, though the higher court would not allow it to inspect production, it has recognised the right to a share of the sales.

Vichy Catalan is saying nothing.

Schneider wins more support for Square D $1.8bn offer

By William Dawkins in Paris

SCHNEIDER, the French electrical equipment [illegible] yesterday claimed further progress [illegible] its unsolicited $1.8bn bid for control of Square D, the US maker of electrical distribution equipment.

The French bidder said 78.1 per cent of Square D's shares had been tendered to its initial $78-a-share cash offer, 10 per cent more than the number achieved by the first deadline, at the end of March. Schneider has decided to extend the offer until May 3.

"An imposing majority of Square [illegible] shareholders has once again responded favourably to our offer ... Better still, we have registered a very clear progression in the number [illegible] shares being offered to us," said Mr Didier Pineau-Valencienne, Schneider's chairman.

Square D is based in Illinois but registered in Delaware to [illegible] advantage [illegible] Delaware [illegible] requiring a bidder to control 85 per [illegible] of the capital before claiming victory.

"In refusing to cancel the [illegible] to this transaction and to meet us to discuss our offer, the board of Square D is neglecting the will of its shareholders," said Mr Pineau-Valencienne.

The French group launched its bid in February, when it [illegible] that [illegible] with Square D on [illegible] agreed merger were coming to nothing.

Schneider [illegible] now asked shareholders [illegible] give it their proxy votes [illegible] Square D's annual general meeting on May 25, at which it will try [illegible] oust the US company's board and replace it with its candidates.

"In giving us their mandate, Square D's shareholders will give us the means to bring about an operation which serves their interests just as much as the long term industrial interests of [illegible]uare D," said Mr Pineau-Valencienne.

Airtours to raise extra £15.4m

By Jane Fuller in London

AIRTOURS [illegible] the latest holiday company to [illegible] to the UK market for funds [illegible] that [illegible] advantage of last month's demise of International [illegible] Group, the UK's [illegible] largest tour operator.

The [illegible] raising [illegible] share placing [illegible] shareholders [illegible] will greatly [illegible] carrying capacity.

This follows a [illegible] its rival [illegible] month, which [illegible] cash call [illegible] opportunities provided by the [illegible]ollapse of ILG.

The exit of Mr Harry [illegible]man's private company from [illegible] tour operators' league, headed by Thomson, left Owners in second place, through [illegible] Falon and Redwing subsidiaries, and [illegible] third.

Mr Peter Hilliar, leisure analyst with BZW, estimated that of the 1.5m holidays that ILG might have provided this [illegible], Thomson would get about [illegible] and [illegible] and Airtours about [illegible]. Airtours carried [illegible] in [illegible]

The loss of [illegible] big competitor will also cushion a decline in the foreign package holiday market: only 9m UK holidaymakers are expected to be carried this year compared with 1990.

Mr Harry Coe, Airtours finance director, said the £15.4m raised would enable the company to expand without hitting the limits set by the Civil Aviation Authority [illegible] protect customers.

To [illegible] it had had to expand its capital base, and it was expected [illegible] would [illegible] to £35m this September compared with £13m last year.

The issue of 5m shares, at 320p each, will increase Airtours' share capital by 30 per cent. It follows a soaring of the share price from 156p in January to 373p earlier this month. Before that the company had not regained its March 1987 flotation price of 180p since the stock market crash of that year.

The proportion of [illegible] held by directors is expected to fall from 70 per cent before the issue to less than 50 per cent after it. Shareholders taking up the offer can do so on a three-for-ten basis.

In 1989-90, Airtours made a pre-tax profit of £6.3m on [illegible] £183m. This year it is forecast to make about £13m before [illegible]

Trelleborg vice-president [illegible] head Esselte

MR [illegible] LUNDQUIST, [illegible] vice-president at the Swedish mining and industrial group Trelleborg, will become president and chief executive of Esselte, the office products company, writes John Burton in Stockholm.

His appointment foll[illegible] the decision last month [illegible] Mr Rune Andersson, the Trelleborg chairman, [illegible] head the Esselte [illegible] of directors.

He also acquired an option for a 21 per cent voting stake, which would make him the biggest shareholder, through his private company Gettinge Intressenter.

Esselte's new leadership yesterday emphasised that there were no plans for Trelleborg to [illegible] directly involved in the [illegible] office products group. Mr Kjell Nilsson, Trelleborg president, declined an invitation to join the Esselte board to underline this.

Mr Lundquist [illegible] specu[illegible] that Mr Andersson planned [illegible] up the company and sell its divisions to gain quick returns from his investment.

Claims for storms check Netherlands insurer

By Ronald van de Krol in Amsterdam

STAD Rotterdam, the fifth largest Dutch insurance com[illegible] said 1990 net profit was up 8.9 per cent [illegible] Fl 79.8m ($42m), matching the rate of increase in turnover – Fl 2.32bn from Fl 2.13bn.

Like other Dutch insurers, Stad Rotterdam's results were held back because it had to pay about Fl 55m for damages due to severe winter storms. This cost Stad Rotterdam a net Fl 8m after allowing for reinsurance, catastrophe coverage and provisions.

The company [illegible] to increase its 1990 dividend to Fl 1.65 from Fl 1.64 in 1989.

Net profit in non-life insur[illegible] per cent to Fl 37.1m and on life insurance by [illegible] per cent [illegible] Fl 31.7m. Home mortgage operations posted [illegible] 11.6 per cent net rise to [illegible] 11m.

Stad Rotterdam intends [illegible] set up [illegible] joint venture in banking services with Bank Cantrade, [illegible] Amsterdam-based subsidiary of Union Bank of Switzerland.

Net slides at Montedison power unit

SELM, [illegible] power generating subsidiary of Italy's Montedison group, reported group net profits of L92.3bn ($74m) last year against L132.8bn in 1989, [illegible] Haig Simonian. How[illegible], extraordinary items in 1989 inflated group earnings, the company said.

In 1989, the sale of activities to the Enimont chemicals joint venture then owned by Montedison and state-owned Eni, generated a capital gain of L90.1bn. Those units made net profits of L26.3bn that year.

Adjusted for the disposals, group net earnings in 1989 amounted to L16.3bn, said Montedison. Sales last year rose 5 per cent to L486.3bn from an adjusted L462.9bn.

The company is paying a dividend of L70 and L90 for each ordinary and savings share respectively.

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INTERNATIONAL COMPANIES AND FINANCE

Cail values shares [illegible] A$12 in bid rejection

By Mark Westfield in Sydney

COAL AND Allied Industries, the Australian coal group, has predicted earnings of A$55.2m (US$43m) for the year ending June 1990 and values its shares at A$12 a share in its formal rejection of the A$7.85 a share takeover offer from CRA, the resources group.

In their formal response to the CRA offer, which values Cail at A$437m, the directors claimed that shareholders speaking for 52 per cent of the company's capital had indicated they would not accept the bid.

These shareholders include three major customers of Cail's export coal: Ube Industries, Nissho Iwai Corporation and Joban Kosan Company, all of Japan.

The rejection by the Cail board puts pressure on CRA to increase its offer if it is to be seen as a serious bidder. This is CRA's second attempt to take control of Cail, Australia's third largest coal mining group. It made an unsuccessful bid in 1979.

CRA may also be forced to lift its offer because most of the institutions which picked up the 37 per cent of Cail sold into the market last year by shipping and resources group Howard Smith paid more than A$9 a share.

Cail shares closed 4 cents lower yesterday at A$8.26 after briefly hitting [illegible] on the release of the board's recommendation.

Although CRA is known mostly for its iron ore and base metals interests, it is also a significant coal mining business.

Profits tumble by 22% at Israel's third largest bank

By Hugh Carnegy in Jerusalem

IDB BANKHOLDING, Israel's third largest financial group whose ownership structure is currently the subject of controversial negotiations with the government, yesterday reported a steep profits slide.

For 1990, net profits fell 22 per cent to Shk66m ($32.5m at end-1990 exchange rates) from Shk85m in 1989.

The reversal was largely due to a downturn in performance in its core banking business, Israel Discount Bank. Tight margins, the failure of Shekel devaluation against the dollar to match domestic inflation, an increased tax charge and a fall in contributions from subsidiaries were blamed for a 21 per cent tumble in IDB net profits, from Shk75.3m to Shk59.2m.

Performance at the group's investment arm, IDB Development – one of the richest private investment portfolios in Israel – also slipped, with net profits down to Shk60m from Shk64m, although this was put down mainly to a windfall cancellation of a tax provision which inflated profits in 1989.

For the group as a whole, total assets were down slightly to Shk35.8bn from Shk37.2bn, shareholders equity was up at Shk1.79bn from Shk1.76bn and return on equity was 3.8 per cent, compared with 4.9 per cent in 1989.

The main issue facing IDB is settling its ownership. Mr Raphael Recanati, IDB chairman, yesterday called on the government to resolve the issue quickly. As with Israel's three other main banks, the government bought a majority shareholding in 1983 to rescue it from a share price collapse, but control was left in the hands of the Recanati family.

A government effort to sell a controlling stake through a competitive tender, following an agreement with the Recanatis to abandon the preferential voting structure, collapsed when the only bidder other than the family dropped out.

The Bank of Israel then said it objected to reselling the group to the Recanatis, who face criminal charges from a [illegible] manipulation scandal that prompted [illegible] 1983 [illegible] lapse.

At present the government appears ready to proceed [illegible] the sale despite the central bank's intervention.

Westpac branch may be saved

By John Ridding in Seoul

WESTPAC Banking Corporation, Australia's biggest bank, appears set to reverse [illegible] decision to close its Seoul branch after [illegible] agreement with unions in South Korea to end a seven-month strike.

The agreement is expected to be signed today. Mr Choi Dong Soo, chief manager of the Westpac branch in Seoul, is to recommend to Westpac's board that it change its decision to close the branch. A manager at the bank said that approval to stay open would be "a formality".

The central issue in the dispute – the powers of the union in [illegible] personnel committee which would participate in hiring and disciplinary decisions – [illegible] in favour [illegible] management.

Under [illegible] the chief manager of the bank will [illegible] of the personnel committee and cast the deciding vote in cases of deadlock on the eight-member body. Earlier the union had rejected granting management the deciding vote.

"We think this is a big concession," said an official at the bank, but added: "We were not prepared to give up control on this fundamental issue of management rights."

A manager at a European bank in Seoul welcomed the decision.

He said it demonstrated that unreasonable wage and managerial demands by unions were not sustainable and would influence unions at other foreign banks in Seoul.

The strike was marred by allegations of violence by both sides. Striking workers also blasted music through loudspeakers placed outside the bank in an attempt to disrupt business.

Australian wine merger agreed

MILDARA WINES is offering A$55.8m (US$44m) for Wolf Blass Wines in a bid to form a business that would control 3 per cent of the Australian domestic wine market by volume, Reuter reports from Sydney.

Mr Wolf Blass, Wolf Blass's executive chairman and holder of 53 per cent of the company's shares, said he would accept the share/cash offer worth A$1.04 for each Wolf Blass share.

Mildara said that its chairman, Mr Brian Healey, would be chairman of the enlarged group and Wolf Blass's four directors would be invited to join the merged company's board.

Mr Blass said he began merger discussions last year following SA Brewing's A$375m takeover of Penfolds Wines in November. He said he believed that medium-sized companies would find it increasingly difficult to prosper as the industry tended towards a small number of larger companies.

Cash injected at SecPac Australia on A$259m loss

By Mark Westfield

SECURITY PACIFIC National Bank of the US has injected A$236m (US$184m) of capital into its subsidiary, Security Pacific Australia (Spal), after the Australian merchant bank ran up 1990 losses of A$259m.

This loss took the combined deficit of Australian subsidiaries of foreign banks over the latest reporting period to more than A$1bn. The largest loss was A$273m, incurred by Hong Kong Bank of Australia.

Spal's recently appointed chairman, Mr Richard Keller, said the 1990 result was "obviously disappointing".

Spal was forced to make large provisions of A$232m on a small number of problem loans, mainly its A$100m exposure to the collapsed Girvan property group and Linter Textiles of Mr Abe Goldberg.

The four main Australian banks were able to wrap up most of the best corporate business before the 17 foreign banks were admitted in 1985, so the newcomers were forced to increase aggressively their lending to borrowers that the domestic banks avoided.

DFC NZ pays NZ$600m debt to big creditors

DFC NZ, [illegible] troubled investment bank, yesterday made [illegible] (US$353m) payment [illegible] large creditors, meaning that NZ$1.7bn [illegible] the former government-owned [illegible] debt [illegible] NZ$2.2bn has been settled, writes Terry Hall in Wellington.

DFC's statutory manager, Mr Sandy Maier, said the NZ$600m principal and interest payment was on schedule. He said the level of remaining payments depended on recoveries from DFC's loan portfolio.

Asset realisations were on target and creditors were being given the highest anticipated level of principal repayment, said Mr Maier. He added that 77 per cent of DFC's debt and 91 per cent of money owing to its creditors had been settled.

DFC was placed in statutory management in October 1989. Holders of retail debt were paid off last August, and remaining creditors were split into holders of first, second and third-tier debt.

Mr Maier said 300 creditors were still to be paid. The repayment funds are coming from property asset sales.

Troubled Venezuelan bank sold

THE Venezuelan government has sold Banco Italo Venezolano, an ailing state-owned commercial bank, to a Venezuelan financial group for the equivalent of US$63.8m, writes Joe Mann in Caracas.

The buyer is Banco Hipotecario de Falcon, a mortgage bank which headed a consortium of three financial groups from the west of the country.

The buyers have to apply about $50m to restore the capital base of Banco Italo and to cover bad loans. The remaining $13m is to be paid to the government as a "premium" for acquiring the bank.

Banco Italo has been in trouble for several years due to a host of uncollectable loans.

Retail side helps PaineWebber up almost threefold

By Patrick Harverson in New York

PAINEWEBBER, one of Wall Street's biggest securities houses, yesterday reported a near-threefold rise in first-quarter profits to $31.6m, aided by strong demand for its retail broking services.

The independent company's first-quarter income of $1.09 a share was 193 per cent higher than the 20 cents a share ($10.8m) made in the opening three months of 1990. The figures were well received by the market yesterday, and by midday the company' stock had risen $1¼ to $25.

PaineWebber, capitalised at $1.55bn, is the third big Wall Street house, after J. P. Morgan and Smith Barney, to announce a robust improvement in first-quarter profits.

Since the beginning of the year the significant increase in bond and stock trading volume, and the boom in equity values has boosted securities industry revenues, in the process helping Wall Street recover from 1990, its worst year on record.

PaineWebber said that all of its main business groups prospered in the first quarter, when net revenues were $474.8m, up 11 per cent on the $426m at the same stage in 1990.

Retail broking and asset management were particularly strong, helped by the return to the stock market of many of the individual investors scared away in 1987 by the October market crash. In the quarter retail broking revenues rose by 15.4 per cent, while retail customer assets increased to a record $80.2bn, up from $67.1bn a year earlier.

The company's institutional fixed income and core equity businesses also performed well in the healthy environment for bond and stock prices.

Investment banking revenues, however, fell to $47m, down from the $67m earned in the first quarter of 1990. PaineWebber's recent experiences in investment banking have not been successful – last year it was forced to take a $71m increase in reserves for merchant banking activities to cover losses on junk bond-related investments – and the firm is concentrating on retail stock broking.

Total expenses at PaineWebber rose from $408.9m in the first quarter of 1990 to $426m, primarily because of a rise in commissions the company paid to its brokers on increased stock sales. However, the cost containment programme introduced last year helped reduce fixed and semi-fixed costs. In the past year the company has reduced its staff from a peak of 13,200 to 12,600.

Brokerage arm boosts earnings at Primerica

By Bernard Simon in New York

RECORD earnings from Wall Street brokerage firm Smith Barney helped boost first-quarter earnings of Primerica, the US financial services group, by 27 per cent.

Smith Barney's contribution of $29.3m made up more than a quarter of Primerica's net income of $105.9m, or 95 cents a share, which was up from $83.2m, or 73 cents a share, a year earlier.

Primerica, controlled by Wall Street veteran Mr Sandy Weill, reported however that sales of life insurance policies have continued to drop.

The number of policies sold by its insurance brokerage subsidiary, Primerica Financial Services, tumbled to 79,500 in the quarter, from 122,700 a year earlier. The value of new policies issued dropped to $14.3m from $20.1m.

None the less, improved margins helped lift the insurance brokerage unit's earnings by 11 per cent.

Primerica Financial, formerly known as AL Williams, has the largest life insurance sales force in the US.

Smith Barney attributed its 134 per cent jump in earnings to robust securities markets as well as lower expenses.

Trading revenues jumped by 85 per cent and commissions by 16 per cent, thanks to growth in institutional and retail business.

Primerica has been widely criticised for buying Smith Barney, one of Wall Street's most successful firms, for twice its book value just a few months before the 1987 stock market crash.

Few crumbs of comfort in US corporate pie

Our New York staff previews the quarterly reporting season for American companies

It will be bad, but the question is just how bad. Wall Street is bracing itself for some nasty shocks as it enters the corporate results season for the first quarter of this year – the period of maximum economic disruption caused by the Gulf crisis.

Analysts have been cutting forecasts for sectoral profits since the start of the year as a succession of gloomy profits warnings have emerged from a range of companies. But in many cases they could still be over-optimistic.

Certainly, International Business Machines, the world's leading computer manufacturer, took Wall Street completely by surprise last month when it warned its earnings would be about half the consensus forecast, and half the figure it reported in 1990. And last Friday IBM duly unveiled net earnings from operations for the three months of $500m, half the $1bn earned in the first quarter of 1990.

Analysts say IBM's initial announcement drove home the message that the first quarter would be an exceptionally difficult one for corporate America. It also focused market attention on the negative impact on reported overseas earnings of a stronger dollar.

Consensus forecasts by "bottom up", or sectoral analysts, always tend to seem more optimistic than those of "top down," or broad strategic analysts, partly for technical reasons.

But Mr Richard Pucci, who tracks forecasting trends for IBES, a research service of brokers Lynch, Jones & Ryan, says the gap between the two has been particularly wide for the past few months, although sectoral analysts have been moving down towards their strategic colleagues.

But bad profits news from individual companies will not necessarily change overall equity market sentiment since the latest reporting period was distorted by the Gulf crisis and a great deal of bad news has already been discounted by Wall Street.

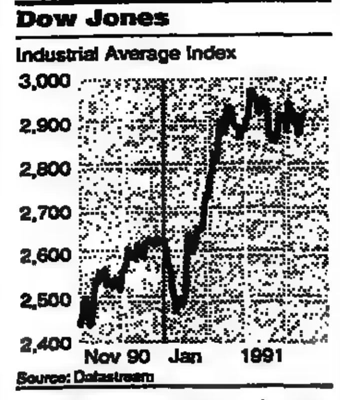
Nevertheless, good or bad company news will clearly move individual stocks, or sectors. Mr Laszlo Birinyi, a Wall Street strategist, notes that the first trickle of better-than-expected results last week – for example from high technology groups Motorola and Intel – produced an enthusiastic response from investors.

"The market is very disposed towards being pleasantly surprised by corporate earnings," he added.

The securities industry is one sector Wall Street is relying upon to spread some sunshine amid the corporate gloom. The big increases in share values, the growth in equity and bond trading volume, and the revival of new stock and bond issuances during the first quarter will have boosted revenues at securities houses across the US.

Last week the stock market had a taste of what to expect when J. P. Morgan, the blue-chip bank, reported strong quarterly earnings. To no one's surprise, impressive growth in J. P. Morgan's revenues from securities trading hogged the headlines.

Analysts are hoping for more of the same from Wall Street's other big names. In commercial banking, the main focus of attention will be the large New York money centre banks,



Source: Datastream

which have been suffering from a sharp rise in non-performing loans, mainly to the property sector and highly leveraged transactions. Analysts expect many of the banks to report a 10 to 20 per cent increase in non-performing loans during the quarter.

Citicorp, the largest bank in the US, has already announced it expected its portfolio of doubtful loans to rise by about $1bn this quarter – roughly the same as in the third and fourth quarters of last year.

Bank of New York, the first big bank to report its results, surprised the market last week when it reported a first-quarter loss because of soured commercial loans. But unlike its rivals, it did not make particularly heavy provisions last year, so its results are not expected to set a trend.

The computer industry may show sharp divergences in performance. IBM's poor figures are expected to be mirrored by several fellow manufacturers of mainframe and mini computers. For example, NCR – on the receiving end of a bid from American Telephone & Telegraph – and Amdahl have announced new mainframes but have yet to ship them. And corporate buyers may have been put off heavy investment in mainframes by the Gulf uncertainty and general recession.

In contrast, many manufacturers of personal computers and workstations seem to be prospering, despite the economic downturn. For example, Sun Microsystems and Apple Computer are expected to report strong earnings increases.

The same cannot be said of the motor industry, which is suffering from a deep depression. All three of Detroit's Big Three are expected to report large losses due to lower sales volume and heavy price discounting. Nor are analysts hopeful of them returning to the black in the second quarter.

The motor industry's woes will also have a knock-on effect on the steel industry, hit by plunging prices and weak demand. Virtually none of the big six manufacturers is expected to report a first-quarter operating profit, and the outlook for the rest of the year is not much better.

For the travel industry, at the forefront of the Gulf crisis' repercussions, the picture is more mixed. Doubtlessly the first quarter will look horrid: two of the big hotel groups, Hilton and Marriott, have already reported profits more than halved, while large airlines like United and American have warned of losses for the first three months of 1991.

The interest here, however, centres less on the historic data than on the speed and extent to which business is bouncing back. Any indicators on that front will be keenly noted.

The pharmaceuticals sector is expected to be one of the few bright spots. Analysts predict a particularly strong first quarter from Merck. Bristol-Myers, Johnson & Johnson, Pfizer and Syntex are also expected to post sharp gains. However, results may be muddied by one-time items as companies start to comply with recent changes in accounting for retiree benefits.

For the oil industry, strength in Europe and the Far East in refining and marketing should bolster first-quarter earnings. Mr Paul Mlotok, an analyst at Morgan Stanley, expects the oil majors to see a 15 per cent improvement in earnings on average, with particularly strong performances from Exxon, Chevron and Texaco. Higher crude oil prices in January because of the Gulf war should help production profits. Although the recession has reduced demand for refined products, the impact is not expected to be dramatic.

The outlook for the chemical industry, where earnings dropped by about 30 per cent in 1990, remains bleak. Over-capacity at a time of falling demand is the main culprit.

Those with the greatest exposure to commodity chemicals, such as Dow Chemical and Union Carbide, are expected to be the hardest hit. While the more diversified companies, such as Monsanto, should see only a modest deterioration in profits.

Reporting by Martin Dickson, Patrick Harverson, Nikki Tait and Karen Zagor.

Upjohn turns in $133m on turnover up 11%

By Karen Zagor in New York

UPJOHN, the US pharmaceuticals and health care services company, yesterday recorded a 15 per cent improvement in first-quarter earnings from continuing operations on an 11 per cent gain in sales.

The company, which makes the Rogaine treatment for baldness and the Xanax anti-anxiety drug, had net income of $133.3m on sales of $799.4m in the first quarter ended March 31, against net earnings of $114.3m on sales of $723.4m a year earlier. Primary earnings per share were 71 cents, compared with 61 cents a year ago.

Operating income rose 3 per cent in the latest quarter to $180m. Upjohn spent $115.3m on research and development or 14 per cent of sales in the first three months of 1991.

Sales of health care products rose 10 per cent in the quarter, led by Ansaid, a non-steroidal anti-inflammatory agent and Rogaine.

The greatest sales gains came from Europe, where sales rose 20 per cent in the 1991 quarter. Overall, pharmaceutical sales outside the US increased 13 per cent in the quarter, helped by favourable foreign exchange rates.

Upjohn's earnings were also helped by a lower effective tax rate in 1991 of 27 per cent, compared with 32.5 per cent in 1990 which lifted earnings per share by 6 per cent in the latest quarter. In the first three months of 1991, a greater proportion of Upjohn's earnings came from its Puerto Rican operations, which have a lower tax rate.

Plunge of 64% as Reynolds Metals sees improvement

By Kenneth Gooding, Mining Correspondent

REYNOLDS METALS, second-largest US aluminium group, suffered a 64 per cent fall in first-quarter net earnings, from $77.7m or $1.31 a share to $27.5m or 46 cents.

But results should improve "significantly" during the rest of the year, said Mr Bill Bourke, chairman, "especially with the economic recovery anticipated in the second half."

He said the impact of the recession, which began in the second half of 1990, worsened in the latest quarter.

"While the price of primary aluminium ingot was down only slightly from the levels of a year ago, lower prices and volume for a number of fabricated products further eroded margins," he added.

Reynolds' revenues in the quarter slipped from $1.39bn to $1.38bn, but its aluminium shipments increased from 319,700 tonnes to 322,100 tonnes.

Question mark put over insurers by S&P

By Nikki Tait in New York

ALMOST 500 US insurance companies had a question mark placed against their claims-paying ability in a new survey, published yesterday, by Standard & Poor's, the US ratings agency.

Although many of the 489 companies – drawn from both the life and property/casualty sectors – are small, they wrote an aggregate $13.9bn of premiums in 1989.

S&P stressed that not all of these are necessarily in danger, but suggested their financial condition was "below average" and they "deserve close attention".

The agency's findings come at a sensitive time for the US insurance industry. The issue of solvency regulation – and whether the state regulatory system is adequate or whether a Federal agency should be set up – has been under scrutiny for many months.

It was given a further twist last week when the main operating unit of First Executive, the large Los Angeles-based insurer, was taken over by the Californian state regulators – the largest-ever insurance company seizure.

The new S&P survey centres on the large number of US insurers who fall outside its normal claims-paying ranking service. In the past, S&P has concentrated on analysing some 450 insurance companies. This full analysis is done with the companies' co-operation, and they pay for the service.

However, the new study looks at a further 1,600 companies on the basis of returns made to the state insurance departments. S&P acknowledges these studies are less fullsome and, therefore, only places companies into one of three broad categories – "above average", "average" and "below".

It said yesterday that, of the 489 companies in the lowest category, 329 were in the life and health industry, and 133 in property-casualty. Another 27 reinsurers also fell into this range. About 150 life companies and a similar number of P/C insurers made the top grade.

The ratings were done on 1989 data, although fresh analysis using the 1990 returns will be published in a few months' time. S&P calculated that the 489 questionable companies accounted for less than 5 per cent of the industry, but said their 1989 premiums were close to $14bn.

Although unable to estimate the number of policyholders covered by this group, S&P did note that of the 11 insurance companies which have failed so far this year, three had fallen into this questionable category. The others had failed to make adequate returns to the regulators, so no ratings had been assigned.

US Home files for Chapter 11 protection

By Nikki Tait

US HOME Corporation, the troubled Houston-based housebuilder, yesterday filed for protection under Chapter 11 of the US Bankruptcy Code – after months of negotiations with its bankers failed to achieve a debt restructuring.

During recent months, Home, one of the largest housebuilders in the US, has been trying to win the agreement of 17 banks for a restructuring of a $156m unsecured revolving credit facility. Discussions have been under way for almost one year.

Yesterday, US Home said the necessary unanimous agreement among the banks could not be attained, and it considered that "an acceptable debt restructuring could best be achieved" through Chapter 11. It declined to say how close it came to agreement with the banking group, or where the obstacles lay.

The Houston housebuilder has secured an additional $65m-plus of funds, through debtor-in-possession financing. This is often made available when a company files for Chapter 11, with the new lenders ranking well to the front of the repayment queue. This, according to Home, "will provide additional funding for the homebuilding operations during the time needed for the restructuring".

Home built about 4,800 units last year, and ranks within the top 10 US housebuilding groups. In recent years, the company has been attempting to cut costs, but its figures have still been affected by write-offs and litigation over houses built more than a decade ago. In 1990, the company saw sales of $610m, but made a net loss of $101m after write-offs.

First City Financial in 1990 loss of C$228m

By Robert Gibbens in Montreal

FIRST CITY Financial, the core holding company of Vancouver's Belzberg family, has reported a final 1990 loss of C$228.1m (US$196m) or C$4.35 a share, due to unsuccessful efforts to take control of several prominent companies, including the British supermarket group Asda.

The Belzbergs became prominent North American corporate raiders in the 1980s, often through First City Financial. They have withdrawn from securities trading and arbitrage since the end of the year and the group is concentrating on its financial services subsidiary and property operations in Canada and the US.

Mr Samuel Belzberg, best known as a "greenmailer" in the 1980s, last month stepped aside as chief executive of First City Financial and his nephew, Brent, 40, took over. Now Mr Brent Belzberg has been appointed chairman of the trust company subsidiary.

Revenues for all 1990 were C$[illegible], down from 1989's C$970m. Total assets at December 31 were C$5.5bn against C$6bn a year earlier.

In 1989 First City Financial reported earnings of C$61m or C$1.13 a share, excluding a C$123.7m gain from the sale of its investment in Cantel, a cellular telephone company.

Mr Brent Belzberg said the priorities were debt reduction and restructuring, sale of non-core assets and a simplified corporate structure.

He agreed shareholder value has been eroded "significantly" by the 1990 loss. Nearly C$1bn of securities have been sold, offices closed in Britain and Barbados, and cutbacks made in New York and Vancouver.

The company's Canadian lenders have agreed to convert C$100m of demand bank credit lines into a three-year term loan. But much of First City Financial's underlying value is represented by property and shares of the trust company subsidiary, he said, and further debt restructuring was needed.

A US subsidiary lacks sufficient liquidity to redeem US$97m of senior notes due in mid May, and restructuring talks are under way.

Safeway after-tax profits advance strongly to $26m

By Nikki Tait

SAFEWAY, the US food retailer which was taken private via a $4.2bn leveraged buyout by Kohlberg Kravis Roberts in 1986, yesterday reported after-tax profits of $26.5m in the three months to March 23. This compares with $15m in the same period in 1990.

However, operating profits improved by a smaller percentage – up 10 per cent, to $122.8m – while sales were less than 2 per cent higher at $3.4bn ([illegible]). Operating margin advanced from 3.3 per cent to 3.6 per cent.

Part of the gain in net profits came from Vons, a supermarket chain in California, in which Safeway has a 35 per cent equity investment.

Safeway records income from the Vons investment on a one-quarter delay basis, and said that increased profits from this source lay behind a near-doubling of "other income" in its own fiscal first quarter, from $8.2m to $15m.

Interest charges in the three-month period increased slightly, from $83.8m to $86.5m.

Safeway, which takes in over 1,100 outlets in the US and Canada, said that, despite the "soft sales" recorded in the first quarter, it viewed the results as "excellent".

The company, still highly-leveraged, earlier this month increased the size of an international share offering from 2m to 3.5m shares, following demand from UK institutions.

The international tranche was part of a 17.5m share offering, representing 18 per cent of the company's enlarged share capital.

Greyhound Dial to sell cruise line unit

GREYHOUND Dial of the US, which is changing its name to Dial Corp, has agreed to sell its Premier Cruise Lines unit to Carnival Cruise Lines, one of the world's leading cruise operators, for about $[illegible] in common stock and the assumption of liabilities, Reuters reports.

Dial said the agreement was subject to board approvals and the registration of the shares for sale by Dial as soon as possible after completion of the deal.

European sales lift CPC 6%

By Nikki Tait

EUROPEAN sales and profit gains helped offset recessionary conditions in the US, and allowed CPC International, the food company which takes in Hellman's Mayonnaise and Ambrosia custard, to post a modest 6 per cent earnings advance in the first quarter.

CPC reported earnings per share of $1.07 during the three months to end-March, up from $1.01 in the same period a year earlier. Worldwide sales rose by 12 per cent, from $1.35bn to $1.52bn, while operating profits clocked in at $83.4m, against $78.9m.

CPC said it believed the worst of the North American recession was over, but conceded this had affected Best Foods, its US consumer foods business.

Economic problems in Argentina and Brazil also hit operations in South America, and CPC expects these difficulties to persist into the second quarter.

However, the European operations fared well – showing a 41 per cent sales advance and a 78 per cent improvement in operating income.

The advances result partly from acquisitions – CPC bought the UK Ambrosia, Marmite and Bovril businesses last year, together with Mateus jams and jellies in Portugal, and Heidelberg salad dressings in Denmark – but the company also stressed there had been good volume growth.

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A brief run-down on steps we are taking to overcome the Information Technology crisis.

The crisis in the computer industry is not the result of market saturation but of a far-reaching market transformation. To better understand the new requirements of its customers, Groupe Bull lends an ear, and hears its customers say that, "basically, we need a data system which puts applications, i.e. professional solutions, directly on the screen of the end-user..." Users expect greater coherence, greater ease of use. They want systems which can communicate among themselves, even if they are of different brands. They want standard applications which can run on different hardware. In a word, they want information technology to give them greater performance while at the same time simplifying their lives. Everything we are doing follows these goals: simplify the lives of our customers by transferring all the complexities to the systems we develop for them, improve and their competitiveness through data systems. That is the motive behind the research and development programme that Bull is undertaking throughout the world. That is the motive behind the cooperation agreements that we establish. That is the motive behind our new distributed architecture model.

Groupe Bull invests more than 10% of its revenue in research and development, carried out by international teams in centres spread throughout the world. Among its many projects, Bull is carrying out advanced research in fields vital for the future: distributed applications, telecommunications, standardisation, multimedia, integrated circuits, parallel architecture, database management systems, artificial intelligence, software engineering. Far from a sole effort, [redacted] research involves the cooperation of almost 400 major European research bodies and laboratories. Bull has developed a policy of active alliance and technological partnership with an extensive number of companies. It is actively engaged in the European Community's major research programmes and cooperates worldwide, on programmes that are establishing the foundations for international standards: it participates in more than 100 projects in various European Community programmes dealing with information technology. *Participating in 66 ESPRIT projects, in association with 200 partners, Bull serves as leader in a total of 200 projects. This is to be expected: when you are building a communicative data system, you'd better do it with others.*

In France, Bull works in close association with public sector research bodies and laboratories CNRS, INRIA, universities, specialised institutes, etc. Cooperation between Bull and public-sector research organisations working on a common project sometimes involves posting researchers to the Bull team or to a public research laboratory. Inversely, it can lead to a decentralisation of Bull research teams, such as the teams working on man-machine interfaces at INRIA in Sophia Antipolis, and on fault-tolerance architectures at IRISA in Rennes. Sometimes it even leads to the creation of special entities such as the Bull-IMAG mixed unit (a laboratory shared by Bull, the CNRS, the Institut Polytechnique of Grenoble, and Joseph Fourier University), which has been entrusted with the research programme for distributed application systems.

In Europe, Bull has established links with nearly 400 European bodies, whether they be industrial organisations of all sizes and types, universities, or public and private research centres. Major programmes for cooperation in research and development have been set up to strengthen the technological basis and commercial position of European firms and better resist the pressure of world competition. Bull participates in more than 100 projects in various programmes involving information technology. In 1982, Bull was one of the 12 major European industrial groups to help launch the ESPRIT programme (European Strategic Programme for Research and Development in Information Technology). And today it is still one of the most active members of ESPRIT.

ESPRIT II, operating from 1989 to 1994, involves more than 150 projects. Close to 1000 organisations are involved, and the total funding is 3.2 thousand million ECUs.

These projects are essential for our industry, because they enable us to establish promising relations and to acquire working habits with European partners, to combine research and development investments, and to develop a spirit of cooperation and innovation.

Amongst the fields dealt with: open systems, office automation, networks, packaging, VLSI, distributed systems, vertical applications (banks, hospitals, industry), etc.

The name "Bull" can be seen in all fields in which ESPRIT is involved, alongside numerous other European companies. *The projects which have had the most pertinent and most commented demonstrations are mentioned in what follows:*

In the microelectronics field, Bull is enhancing its CAD capabilities in order to reduce design costs for electronic systems, and improve its mastery of advanced technologies. It is also necessary to accelerate the market release of new products by standardising CAD systems in terms of data transfer, description of products and integration of CAD software. The ECIP project, which combines the main users of CAD in electronics, deals with this question and has amply demonstrated tools for validation of the EDIF exchange format (product description language).

Bearing this in mind, Bull develops VLSI test apparatus in order to reach the "Zero Fault" level. The EVEREST project is creating new test apparatus designed along these lines.

Bull also works on information and processing systems with the goal of developing the architectures and software engineering necessary for preparing competitive products for 1992.

An outstanding feature of this work is the establishment of standard environments, increasingly appropriate software engineering workshops (PCTE project), the creation of interactive environment methods and tools for systems engineering, and the development of vocal interfaces in order to make electronic systems more readily accessible to users. The POLYGLOT* project, which illustrates the feasibility of multilingual vocal systems, has established an isolated (dictated) vocal interface in English and Italian applied to medicine. Similarly, the ADKMS project is developing an evolved knowledge base and a natural language interface.

Bull also participates in the EDS (European Declarative System) project whose objective is to accelerate access times to relational databases in order to process as much data as possible in the shortest time. The PUMA project deals with the application of a generation of transputers to the construction of highly parallel systems.

Bull is particularly active in ESPRIT's office and business systems development, which seeks to provide public and private sector firms with advanced integrated systems enabling them to improve efficiency in their own fields of activity.

In the distributed systems field, Bull coordinates the COMANDOS (Construction and Management of Distributed Open Systems) project, designed to create an environment for the development of distributed applications.

Bull is also extremely active in projects concerning workstation development. Three such projects deserve special mention: MULTIWORKS, EWS, and ITHACA.

In the field of document creation and information management, the purpose of which is to develop new methods for preparing complex documents comprising texts, images, and graphics, Bull is working on three projects: SUPERDOC, PODAC, and KWICK.

In the field of user interfaces, Bull participates in the HUFIT project, whose goal is to develop a variety of tools and methods for the design of ergonomic products.

Bull is also actively involved in computer-integrated manufacturing (CIM), especially to open computer-aided production and management systems. These aim to integrate all the functions and equipment used in the production and distribution of products. Bull's work concentrates particularly on two of these CIM projects: CIM-OSA, and CNMA.

For some years Bull has made major investments in the promotion of European standards, something which is dealt with by a number of ESPRIT programmes. Some of these include: ECIF (CAD), PODA, and CNMA (standards for communication between different types of systems). This is because European cooperation makes it possible for leading European industrialists to get together [redacted] put all weight behind the drive towards worldwide standardisation.

[redacted] addition to the ESPRIT programmes, Bull also actively participates in European standards – development efforts. The Groupe was a founding member of the X-Open group, SPAG, and OSF. The objective of the efforts is simple: give users access to the world's tremendous library of standard applications and ensure that they have the flexibility necessary for developing their operations.

Bull is also involved in the JESSI [redacted] Its objectives are to develop strong European capabilities in micro-electronics development.

And Bull is involved in a dozen projects in the EUREKA programme: natural language interfaces, software engineering workshops, flexible production management, logic spreadsheets for assistance in decision making, and so forth.

These projects have made it easier to establish the standards that Bull gradually integrates into its products, including standards for open systems interconnection (OSI).

From the beginning, Bull has remained close to the E.N.S. (European Nervous System) programme. This is a strategic programme for the implementation of the single European market. [redacted] of a [redacted] communications infrastructure with generic or sectorial applications (movement of goods, health, customs, police) is one of the conditions for the free circulation of capital, services, goods, and individuals. The Groupe's strong position in key sectors (customs, local and national administrations, banks and telecom) puts us in a strong position to capitalise on the single European market.

This project is only in its preliminary stages, and has yet to be validated by the European Parliament, but it marks a significant change with previous Community thinking on pre-competitive research programmes, and sets out to establish direct links with the field of applications.

The ECRC (European Computer Industry Research Centre) – created jointly by Bull, ICL and Siemens in Munich, has demonstrated European computer manufacturers' capabilities to undertake top-quality research in one of the key fields of information technology: computer-aided decision making. The ECRC is particularly devoted to creating solutions based on manipulation of symbolic data, which characterises artificial intelligence. The research carried out to date has led to the development of a Prologe compiler and a tool for constraints-based logical programming. This research is currently studying the integration of new paradigms (objects, processors) and examining new analytical techniques.

Bull enjoys close relations with a large number of universities and research centres around the world: MIT (Massachusetts Institute of Technology), the University of California at Berkeley, Carnegie, Mellon and Stanford in the United States; France's Ecole Polytechnique; and Italy's University of Milan, for example.

In addition, Bull has contributed to the creation of several international organisations for development of standardisation of research results (X-Open Group, OSF, SPAG, COS, CODA, etc.), and is a member of many others (Consortium X, OMG, etc.).

Bull also carries out [redacted] research projects dealing with both processes and products, and which concern architecture, hardware, and software, which together with services constitute the components of a complete, coherent and open global product offer. They are the basis of new development methods and products as well as significant progress in terms of performance and quality. They also contribute to the development of concepts that open the door to far-reaching changes in information technology.

Bull develops tools which provide gains [redacted] programmers' productivity in distributed applications, by helping them master the complexity of programmes and thereby reduce development and maintenance costs.

[redacted] distributed application must be capable of implementation just as easily as if it were developed with a central system, and must be independent of the location of the resources it uses: applications and their environment are represented as "objects" which the user can ignore: he does not need to know how or where they are physically or geographically located or distributed.

In the field of telecommunications, Bull pursues research in the following areas:

- the possibilities opened up by very high transmission speeds (one gigabite per second);
- the protocols necessary for communication at such speeds on a local, metropolitan or remote network;
- the applications environment that can make efficient use of these new communications techniques.

Bull is carrying out studies on the use of RNIS networks (Integrated Services Digital Networks) and new public services in order to provide distributed and multimedia applications with the appropriate means of communication while minimising the users' cost of transmission.

Bull is also developing projects for applications involving the administration of networks, electronic mail systems, and electronic data exchange (EDI).

In addition to developing innovative products based on these studies, Bull works in tandem with partners in the computer and telecommunications industries in order to perfect existing standards for the interconnection of open systems.

Bull also studies the management of multimedia information in order to permit users to dialogue with machines in a way that comes naturally to them.

Bull performs research into tools for the construction of ergonomic interfaces with the user, and the use on natural language for dialogue and access to knowledge bases.

Be it directly or through its participation in the ESPRIT programme, Bull participates in the development and promotion of the ODA standard (Office Document Architecture), which allows for the exchange and storage of composite documents in large multimedia information banks.

Through its own research and its participation in collective projects, Bull is developing the technologies of tomorrow in the field of large servers stocking information that must be made available to the community. The response to large servers' requirements in terms of volume and access time presupposes the use of the most powerful integrated circuits, [redacted] and [redacted]

For example, Bull is working on the design of extremely fast circuits using gallium arsenide and on the development of new types of casings which will provide the performance necessary for the use of optical fibres.

Bull is studying methods for the necessary interconnection of future systems, particularly under the ESPRIT programme: design of high performance casings with a large number of inputs and outputs, increased density of chips, and design of multichip modules.

Bull is conducting research into very high speed series connections (several gigabites per second) to link processors and memories. These studies complement those carried out under the ESPRIT programme dealing with powerful parallel-architecture machines.

[redacted] its database research, Bull has developed a request compiler with which it is already possible to optimise and run in parallel complex requests in the Mach/OSF parallel environment for an architecture with shared memory.

In cooperation with IRISA, Bull is conducting research to apply the concept of stable memory to the development of multiprocessor machines which tolerate faults in order to meet the needs for safe and reliable operation.

For several years, Bull has devoted considerable research efforts to artificial intelligence, a field with an enormous future. Artificial intelligence includes technologies for assistance in decision-making; with them companies can better meet the challenges of knowledge management. After Bull's initial work in AI which led to the creation of products which are now marketed, Bull is directing its research towards applications aimed at integrating artificial intelligence techniques in future data systems.

Bull is also carrying out research on an intelligent hypermedia navigation. The universe of application for aid in decision making can now draw considerable benefits from the association of two techniques developed from artificial intelligence: programming languages by constraints (CHARME*), and deductive databases built above the ORACLE* rationale DBMS by means of SQL language.

As part of the Eureka project, Bull is studying a logic spreadsheet using two technologies. This versatile, user friendly tool makes it possible not only to consult and update digital data in the same way as in a conventional spreadsheet, but also to use it "intelligently" by means of powerful symbolic simulation mechanisms which provide the interactive graphs to help in decision making.

[redacted] developer of software, just as much as a manufacturer of hardware, Bull provides its R&D teams with fast, efficient, and reliable design tools and methods so that they can design products with functions, performance, and quality that the market demands.

Bull studies the assisted design of masks for highly complex integrated circuits with 500,000 to 1 million transistors automatic "compilation" of the pattern of the masks of a block based on a description of its behaviour.

This large investment in research and development, a wealth of international cooperation, and the progress made by European research in general enables Bull to propose increasingly communicative data systems which are increasingly close to the user. This is done with the Distributed Computing Model* which was announced at the Hanover Cebit Fair on March 14 1991.

This reference model – which gives Bull's customers and software-house partners a thorough set of specifications, services, applications interfaces and interchange protocols – defines the evolution of the Bull product offer in the 1990's. The Distributed Computing Model is the framework within which Bull product and solution announcements will be made henceforth.

Open, flexible and modular, the Distributed Computing Model provides the user – be it on his desktop or laptop – with all the information system resources of his firm. As such, it is Bull's contribution to the needs for changes in organisation and work methods that are required by customers in their search for greater productivity and competitiveness.

Today's users are faced with the complexity of a great number of data systems and standards, whereas their essential need is to have [redacted] and applications an arm's-length away, if not at their fingertips. That is why the very concept of the model is built around the idea of putting the user at the core of his data system.

This model provides the customer (through three main points of view: that of the end-user; that of the network administrator; and that of the applications developer) with improvements in productivity and interoperability, while protecting previous applications investments. For the end-user, it provides substantial flexibility in the choice and implementation of applications. For the network administrator, it provides very good reliability, security and easy management of the data system. Lastly, it gives the applications developer powerful tools for software development.

Furthermore, the model provides service companies – in partnership with whom Bull intends to enrich and develop its applications offer – a guarantee of stable specifications which correspond to the standards of the market.

With respect to this, several of Bull's technology partners and customers confirmed their intention to follow the specifications of the Distributed Computing Model* when it was [redacted] at [redacted] in Hanover.

One of the major advantages of the Distributed Computing Model* is the synergy and interoperability it provides between systems using different environments. Customers can thus at the same time benefit simultaneously from the strengths of GCOS'* systems (transactional systems and reliability of management of large volumes of information) and the advantages of open systems (access to an increasingly rich catalogue of application software and particularly user-friendly user interfaces). The model will be able to gradually access new functions implementing the techniques of artificial intelligence, object programming, and simultaneous use of image and voice data (multimedia, e.g. IMAGEWorks*) in order to improve user productivity.

Instead of promoting products – always necessary, but shortlived – the model sets out first and foremost to give customers (as well as associated partners) a list of precise specifications. Using the basic building blocks and solutions developed by Bull or other suppliers, these specifications will enable them to build a computer architecture which will be both open and distributed, and adapted to their specific needs.

Bull is one of the manufacturers with the greatest degree of openness and transparency in the interoperability of systems of different sizes, origins and technologies. To arrive at this transparency, Bull has made the firm decision to integrate standards at the key points of its model, especially DCE* (Distributed Computing Environment) developed within OSF (Open Software Foundation) of which Bull is a founding member. The choice of industry standards (ISO, CCITT, X/Open, Posix, OSF) is a guarantee of interoperability between Bull systems and those of other manufacturers.

The Distributed Computing Model uses the most advanced technologies, especially the works of numerous European research projects developed under the ESPRIT and EUREKA programmes. These include ROSE/FTAM (file transfer), PODA (document interchange), THORN/X.500 (directory), [redacted] (software and repository engineering), ASTRA/DFR (document classification and request) and COMANDOS (object-oriented distributed environment).

The model provides all the centralisation and decentralisation required for different user needs, as well as modes for transition between the two approaches. The distribution mechanisms, which are implicit in the model, allow for implementation of user services on the most appropriate platforms, as well as transparent access to them through the network. The localisation of an application service (transactional, mail, directory, database, etc.) will therefore be done at the optimum running cost and will respect past or future organisational choices.

Flexible and modular, the model can be introduced gradually. Users of Bull hardware will continue to benefit from the high transactional performance of their GCOS* systems and will, depending on their choices, benefit from the new advantages offered by graphics interfaces and other functions of workstations, systems and servers derived from the UNIX* operating system.

The development of this model has already given rise to the definition and publication of a set of technical specifications. Based on [redacted] and *de facto* market standards applied to the key points of the model, these specifications will allow customers to build medium and long-term [redacted] projects as they see fit. These specifications are also available to specialist service companies concerned with the development of applications [redacted] and [redacted]

This set of specifications is based on application programme interfaces (API), exchange protocols and rules for [redacted] covers all levels of use and operation of a data system, from microcomputers, laptops and workstations up to the most powerful servers.

The Distributed Computing Model will be introduced gradually. The Group has publicly revealed the list of specifications for its model and offers its clients the opportunity to establish interoperability between Bull GCOS* systems, certain systems of other suppliers (IBM, DEC) and those of market standards (UNIX*, MS*-DOS, OS*/2, CTOS*, Macintosh OS*).

The interoperability has already resulted in the recent launching of the first "building blocks" for the Bull model.

Affinity Line*, announced last October, provides a link between personal computers and powerful GCOS* data systems. This ergonomic solution allows the end-user to use cooperative applications with GCOS* 6, 7 and 8 servers, all with standardised and user-friendly screen presentations (MS-Windows), Affinity Line* consists of micro-applications (PC/SQL-Link, WIL 7* or MICROPOST type) logic platforms (on workstations) and communications couplers completed by program interfaces developed by Bull (UVTI).

Open 8 and Open 7 – other "building blocks" of the Bull model – provide interoperability between GCOS* 7 and 8 environments and environments running a UNIX* operating system. When this interoperability was announced last November, Bull stressed that the strategy of the Group was to provide the market with "open and distributed systems whose originality was not to oppose, but to combine, the best of the GCOS world (power and reliability) with the best of the standard world, the increasing wealth of the software catalogue".

Products running on a UNIX* operating system fulfil a dual role in the Group's strategy: that of high performance servers giving access to a vast library of applications in conformity with market standards and that of driving forces in distribution [redacted]

In January of this year, Bull launched a range of high performance workstations (Bull [redacted] using Intel 80486 and Mips Computer RISC technology) intended for the high growth management station market. This new offer, alongside the microcomputers of the Zenith Data Systems range and Bull Questar* workstations, marks the entry of the Distributed Computing Model into the Bull hardware catalogue.

With Open Team*, the user is able to organise work groups on microcomputers connected to a server (Bull DPX/2*) into a local network, with the server communicating with GCOS* (within an OSI/DSA network) or IBM* (within an SNA* network) [redacted] Using a graphics terminal and multi-windowing, the user has access not only [redacted] the resources of the microcomputers on his local network, but also to the applications and tools managed by the GCOS*, UNIX* or IBM* operating systems.

In the short and medium-term, new [redacted] will enrich the list of products (software, hardware, services) supporting the model.

Bull has [redacted] itself [redacted] extending the capacities and wealth of applications of its systems as developments are made, in [redacted] to provide open and distributed cooperative solutions and thereby provide for the greater productivity and ease and flexibility of use that the evolution of its customers' needs.

Forthcoming announcements will especially concern the development of sectorial or vertical solutions (for example, for industry, banking, insurance, public administration) built on the Bull model.

Contrary to the conventional approach adopted by most manufacturers, in which the system architecture is mainly centred [redacted] the capabilities [redacted] the computer system hardware, the Bull reference model is built around the user placing him at the centre of an open and distributed environment. The term "user" here can take on a triple meaning: that of the end-user proper; that of the applications developer; and that of the administrator of the entire data system.

For all these categories of users, access to DP resources – and, more generally, to the data assets of the firm – is [redacted] transparent and adapted to the needs of each. Regardless of the resources or information required (which may be resident on the workstation, one or more departmental servers or the firm's central system), the user can benefit from the same ergonomic and user-friendly communication and dialogue procedures as in his own [redacted] Consequently, he has the company's entire information system at his fingertips and simply uses a dialogue mode with which he is familiar.

This model makes the entire company information system accessible to the end-user through his own workstation (microcomputer, station or terminal).

The model provides the user with a particularly high performance graphic environment (DOS/Windows, OSF/Motif) and he can, using the many windows available on his screen, access general services and general applications (whether running on a GCOS or UNIX operating system or on IBM or other basic software). There is absolutely no need to know where the resources used (programmes, data, etc) are located, since the method of use is absolutely identical whether the resources are local or remote.

In addition, the user will "see" all the databases used (whether Interel IDSII*, [redacted] Informix*, IBM/DB2*, DEC/RDB* or any other DBMS running under a UNIX* operating [redacted] in exactly the same way. The end-user can trigger a printout of a document on any site he chooses, receive/send electronic mail, look up directories, and access the complete distributed system of files.

With this new model, the application developer is no longer isolated. At his workstation, he is part of a true software engineering shop with access to all the development tools on microcomputers, departmental systems or resources and mainframe systems. This provides him with a comprehensive set of program [redacted] (API) and a repository containing all the information required for his application. The distributed information system, whether heterogeneous or not, becomes a single, complete working environment.

The Distributed Computing Model* allows [redacted] to produce his applications either in the client/server mode or the transactional/cooperative mode. It provides him with a set of application services and software engineering tools. This type of service will constantly be extended by contributions from partners specialised in software development for key sectors such as banking, insurance, industry, wholesale/retail and other areas.

Administration systems have now developed to the point where the productivity and availability of a company's information pool must be one of its highest priorities. Administration of the [redacted] system is therefore a vital factor in running the company.

The administrator, who is himself a system user, must satisfy a multitude [redacted] requirements, including minimising costs, reducing the complexity of the network, achieving maximum availability, reliability and flexibility and finally optimising the protection of the information.

[redacted] provides all the tools required to [redacted] and [redacted] the integrity of the information [redacted] (i.e. its security and confidentiality). The graphic [redacted] available [redacted] his workstation provide the administrator with a global dynamic view [redacted] system operation, the communication network, the operation of inputs/outputs, and data storage. Because the [redacted] components are a structured [redacted] of objects, he can dynamically reconfigure the [redacted] by adding, deleting, [redacted] modifying any [redacted] the "objects" he [redacted] This considerably simplifies the administrator's tasks.

All [redacted] in the reference model are designed [redacted] provide users with the applications they need and to ensure high flexibility in using [redacted] managing the information [redacted] The Bull Distributed Computing Model* [redacted] of six separate logical components: the application, application [redacted] services, [redacted] and system [redacted] integrated system management [redacted] security, and application development.

The application component [redacted] all applications [redacted] end-user [redacted] satisfy his professional needs, including [redacted] applications [redacted] applications specific [redacted] company's or organisation's activities. The solutions [redacted] the [redacted] existing applications and [redacted] relevant to [redacted] and [redacted] use all the [redacted] throughout [redacted] system.

The user can [redacted] install a [redacted] number of applications locally, either [redacted] his workstation or on nearby servers, [redacted] optimise [redacted] flexibility and ease with which [redacted] solution can be used [redacted] still benefiting from [redacted] essential [redacted] by the complete, distributed information system.

Separating applications [redacted] fundamental services (accessible [redacted] standard interfaces) makes it easier to connect and/or integrate new applications.

Application [redacted] provide [redacted] the [redacted] display, printing, sharing and processing of data. [redacted] which can be summarised [redacted] "see" [redacted] at the [redacted] fingertips), "exchange" (interconnection and interoperability), and "process" (the "ability to do"). As an [redacted] they [redacted] access to [redacted] multimedia applications, [redacted] distributed transactional processing, and [redacted] interfaces. [redacted] provide [redacted] of these services, [redacted] will be provided [redacted] software [redacted] users [redacted]

[redacted] of the special [redacted] architectures is that even [redacted] such as display [redacted] printing are not necessarily [redacted] locally, [redacted] can [redacted] handled by a remote [redacted]

Up [redacted] now, [redacted] type of system they [redacted] They [redacted] to [redacted] the [redacted] topology [redacted] The distribution services makes this routing operation transparent. Only the integration of the most modern technology (particularly DCE*, the OSF Distributed Computing Environment) made "transparency" of a homogeneous or heterogeneous data network possible.

Communications Services physically transport the data while System Services ensure that there is sufficient system processing capacity.

Finally, integrated system management and security provide the applications and services needed for [redacted] system management and security.

- * Questar, DPX/Prostation, Polyglot, WIL7, Micropost, Charme, [redacted] Computing Model, Affinity UMI, [redacted] OpenTeam are registered trademarks [redacted] Bull S.A.
- * Imageworks, GCOS, [redacted] and [redacted] are registered [redacted] of Bull H.N.
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- * CTOS is a registered trademark of Convergent Technology Inc.
- * Informix is a registered trademark of Informix Corp.
- * Macintosh is a registered trademark of Apple Computer Inc.
- * [redacted] are registered trademarks of Microsoft Corp.
- * [redacted] is a registered trademark of Oracle Corp.
- * SNA, OS/2, DB2 and IBM are registered trademarks of IBM Corp.
- * UNIX is a registered trademark of Unix System Laboratories Inc.
- * [redacted] is a registered trademark of X-OPEN Company Ltd.

Groupe Bull

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, April 15,1991 . In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

COUNTRY		£ STG	[illegible]	D-MARK	YEN (X 100)
Afghanistan	(Afghani)	99.25	55.4779	33.1109	41.2681
Albania	(Lek)	10.0662	5.6267	3.3581	4.1855
Algeria	(Dinar)	30.702	17.1615	10.2425	12.7659
Andorra	(Fr Fr)	10.1150	5.6539	3.3744	4.2058
	(Sp Peseta)	184.50	103.13	61.5512	76.7151
Angola	(Kwanza)	107.98(2)	60.3577	36.0233	44.8981
Antigua	[illegible]	4.8195	2.6939	[illegible]	2.0039
Argentina	(Austral)	17440.0	9748.46	5818.18	7251.56
Aruba	(Florin)	3.1952	1.786	1.0659	1.3285
Australia	([illegible] $)	[illegible]	[illegible]	0.7643	0.9525
Austria	(Schilling)	21.075	[illegible]	7.0308	8.7629
Azores	([illegible] Escudo)	259.40	[illegible]	86.5387	107.859
[illegible]	[illegible]	1.7890	1	[illegible]	[illegible]
Bahrain	[illegible]	0.6687	0.3737	0.223	[illegible]
Balearic Is	[illegible]	184.50	103.13	61.5512	[illegible]
Bangladesh	(Taka)	[illegible]	[illegible]	[illegible]	[illegible]
Barbados	[illegible]	[illegible]	2.0068	1.1977	1.4928
Belgium	(Belg Fr)	[illegible]	34.2929	[illegible]	[illegible]
Belize	(B $)	3.5700	1.9955	[illegible]	[illegible]
Benin	[illegible]	[illegible]	282.7	[illegible]	210.291
Bermuda	[illegible]	1.7890	1	0.5968	0.7438
[illegible]	[illegible]	36.50	[illegible]	12.1768	15.1767
[illegible]	(Boliviano)	[illegible]	[illegible]	[illegible]	2.6051
[illegible]	[illegible]	3.5182	1.9665	1.1737	1.4628
Brazil	(Cruzeiro)	449.43	251.219	[illegible]	186.873
Brunei	(Brunei $)	[illegible]	[illegible]	1.0456	1.3032
Bulgaria	(Lev)	[illegible]	22.2861	[illegible]	[illegible]
Burkino [illegible]	[illegible]	505.75	[illegible]	[illegible]	210.291
Burma	(Kyat)	[illegible]	[illegible]	3.8222	[illegible]
Burundi	(Burundi Fr)	[illegible]	[illegible]	101.251	[illegible]
Cambodia	(Riel)	821.10	458.971	[illegible]	341.414
Cameroon	[illegible]	505.75	282.7	[illegible]	210.291
Canada	(Canadian $)	[illegible]	1.1514	0.6872	[illegible]
Canary Is	(Sp Peseta)	[illegible]	103.13	61.5512	[illegible]
Cp. Verde	(CV [illegible])	127.609	[illegible]	42.5718	[illegible]
Cayman Is	(CI $)	1.4816	[illegible]	[illegible]	[illegible]
Cent.Afr. Rep	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Chad	(CFA Fr)	505.75	[illegible]	[illegible]	[illegible]
Chile	(Chilean Peso)	615.70	344.159	[illegible]	[illegible]
China	(Renminbi Yuan)	9.3606(5)	[illegible]	3.1228	[illegible]
[illegible]	(Col Peso)	1078.7	[illegible]	[illegible]	[illegible]
Comoros	(CFA Fr)	505.75	[illegible]	[illegible]	[illegible]
Congo [illegible]	[illegible]	[illegible]	[illegible]	168.724	[illegible]
[illegible]	(Colon)	[illegible]	116.389	[illegible]	86.5779
[illegible]	(CFA Fr)	[illegible]	[illegible]	[illegible]	[illegible]
Cuba	[illegible]	[illegible]	[illegible]	0.4743	[illegible]
Cyprus	[illegible]	[illegible]	0.46	0.2745	0.3422
[illegible]	[illegible]	[illegible]	28.5578	17.0442	21.2432
		[illegible]	29.564	[illegible]	[illegible]
Denmark	(Danish [illegible])	[illegible]	6.3918	3.8148	[illegible]
Djibouti Rep	(Djib Fr)	[illegible]	[illegible]	104.087	129.73
Dominica	(E Carrib $)	[illegible]	[illegible]	1.6078	2.0039
Dominican [illegible]	(D [illegible])	22.76	[illegible]	7.5929	[illegible]
Ecuador	[illegible]	1875.0o	1048.07	[illegible]	779.626
		1731.0a	[illegible]	[illegible]	719.751
Egypt	(Egyptian £)	5.90	3.2979	[illegible]	[illegible]
El Salvador	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equat'l Guinea	[illegible]	505.75	282.7	[illegible]	[illegible]
Ethiopia	(Ethiopian Birr)	3.6672	2.0498	[illegible]	1.5248
Falkland Is	([illegible] £)	[illegible]	[illegible]	0.3336	[illegible]
Faroe Is	(Danish Kroner)	[illegible]	[illegible]	[illegible]	[illegible]
Fiji Is	(Fiji $)	2.6145	1.4614	[illegible]	1.0871
Finland	(Markka)	[illegible]	[illegible]	[illegible]	[illegible]
France	(Fr)	10.1150	5.6539	3.3744	[illegible]
Fr. [illegible]	(CFA Fr)	505.75	[illegible]	[illegible]	[illegible]
Fr. Guiana	(Local Fr)	10.1150	[illegible]	[illegible]	[illegible]
Fr. Pacific Is	(CFP Fr)	180.00	[illegible]	60.05	[illegible]
Gabon	(CFA Fr)	505.75	282.7	168.724	210.291
Gambia	(Dalasi)	13.5839	7.593	4.5317	5.6481
Germany	(D-Mark)	2.9975	1.6755	1	1.2463

COUNTRY		£ STG	[illegible]	D-MARK	YEN (X [illegible])
Ghana	(Cedi)	644.90	360.481	215.146	268.15
Gibraltar	(Gib £)	1.00	0.5589	0.3336	0.4158
Greece	(Drachma)	324.88	181.599	108.384	135.085
Greenland	(Danish Krone)	11.4350	6.3918	3.8148	4.7546
Grenada	(E Carr $)	4.8195	2.6939	1.6078	2.0039
Guadaloupe	(Local Fr)	10.1150	5.6539	3.3744	4.2058
Guam	(US $)	1.7890	1	0.5968	0.7438
Guatemala	(Quetzal)	8.9926	5.0266	3	[illegible]
Guinea	(Fr)	1106.70a	618.614	369.208	460.166
		535.50a	[illegible]	178.649	222.662
[illegible]	(Peso)	1160.[illegible]	[illegible]	387.073	482.432
Guyana	(Guyanese $)	205.72	[illegible]	[illegible]	[illegible]
Haiti	(Goude)	[illegible]	5	[illegible]	3.711
Honduras	(Lempira)	9.9467	[illegible]	[illegible]	4.1358
[illegible]	(HK $)	13.9313	[illegible]	[illegible]	5.7926
Hungary	(Forint)	[illegible]	[illegible]	44.5011	[illegible]
Iceland	(Icelandic Krona)	105.73	59.1	35.2727	[illegible]
India	(Indian Rupee)	36.50	20.4024	[illegible]	15.1767
Indonesia	(Rupiah)	[illegible]	[illegible]	1150.17	1433.53
Iran	(Rial)	120.70	[illegible]	[illegible]	[illegible]
Iraq	(Iraqi Dinar)	0.5550	0.3102	[illegible]	0.2307
Irish [illegible]	(Punt)	[illegible]	[illegible]	0.3734	[illegible]
Israel	(Shekel)	[illegible]	[illegible]	1.3277	1.6548
Italy	(Lira)	[illegible]	[illegible]	[illegible]	922.349
[illegible]	(Jamaican $)	14.35	8.0212	4.7873	5.9667
Japan	(Yen)	240.50	[illegible]	80.2335	100
Jordan	(Jordanian Dinar)	[illegible]	[illegible]	[illegible]	0.4793
[illegible]	([illegible] Shilling)	[illegible]	26.7523	[illegible]	[illegible]
Kiribati	(Australian $)	2.2910	[illegible]	0.7643	0.9525
Korea North	(Won)	1.7315	[illegible]	0.5776	0.7199
Korea [illegible]	[illegible]	1290.65	[illegible]	[illegible]	536.653
Kuwait &	(Kuwaiti Dinar)				
Laos	(New Kip)	[illegible]	698.435	416.847	519.543
Lebanon	(Lebanese £)	[illegible]	942.705	562.636	[illegible]
Lesotho	(Maluti)	[illegible]	[illegible]	1.6213	[illegible]
Liberia	(Liberian $)	[illegible]	1	[illegible]	[illegible]
Libya	([illegible] Dinar)	0.5060	[illegible]	[illegible]	0.2103
Liechenstein	([illegible] Fr)	2.5450	[illegible]	[illegible]	[illegible]
Luxembourg	(Lux Fr)	61.35	34.2929	[illegible]	[illegible]
Macao	(Pataca)	[illegible]	8.0384	[illegible]	[illegible]
[illegible]	(MG Fr)	[illegible]	1655.53	988.073	[illegible]
[illegible]	(Port Escudo)	[illegible]	144.997	[illegible]	[illegible]
[illegible]	([illegible]wacha)	[illegible]	2.7513	1.642	[illegible]
Malaysia	(Ringgit)	4.8878	2.7321	1.6306	[illegible]
Maldive Is	(Rufiya)	17.7375	9.9147	5.9174	[illegible]
Mali Rep	(CFA Fr)	505.75	282.7	168.724	[illegible]
Malta	(Maltese £)	0.5740	[illegible]	[illegible]	[illegible]
Martinique	(Local Fr)	10.1150	[illegible]	[illegible]	[illegible]
Mauritania	(Ouguiya)	[illegible]	[illegible]	[illegible]	57.4835
[illegible]	(Maur Rupee)	27.15	[illegible]	[illegible]	[illegible]
Mexico	(Mexican Peso)	5357.50d	2994.69	1787.32	[illegible]
Miquelon	(Local Fr)	10.1150	[illegible]	3.3744	[illegible]
Monaco	(French Fr)	10.1150	[illegible]	3.3744	4.2058
Mongolia	(Tugrik)	[illegible]	[illegible]	[illegible]	2.4904
[illegible]	(E Carr $)	[illegible]	2.6939	[illegible]	2.0039
[illegible]	(Dirham)	[illegible]	[illegible]	[illegible]	5.8305
Mozambique	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	4.8600	[illegible]	1.6213	[illegible]
[illegible] Is	[illegible]	2.2910	1.2806	0.7643	[illegible]
[illegible]	(Nepalese Rupee)	55.51	31.0285	[illegible]	[illegible]
Netherlands	(Guilder)	[illegible]	[illegible]	[illegible]	[illegible]
N'nd Antilles	(A/Guilder)	3.1952	1.786	1.0659	1.3285
New Zealand	(NZ $)	[illegible]	1.6961	1.0123	1.2617
Nicaragua	(Gold Cordoba)	[illegible]	4.9888	2.9774	3.711
Niger Rep	(CFA Fr)	[illegible]	282.7	168.724	210.291
Nigeria	(Naira)	17.1360	9.5785	5.7167	7.1251
Norway	(Nor. Krone)	11.5975	6.4826	3.869	4.8222
Oman	(Rial Omani)	[illegible]	0.3828	0.2285	0.2848

COUNTRY		£ STG	US $	[illegible]	YEN (X 100)
Pakistan	(Pak. Rupee)	41.00	22.9178	13.678	17.0478
Panama	(Balboa)	1.7890	1	0.5968	0.7438
Papua New Guinea	(Kina)	1.6937	0.9467	0.565	0.7042
Paraguay	(Guarani)	2373.56	1326.75	791.847	986.927
Peru	(New Sol)	1.0900	0.6092	0.3636	0.4532
Philippines	(Peso)	49.00	27.3896	16.3469	20.3742
Pitcairn Is	(£ Sterling)	1.00	0.5589	0.3336	0.4158
	(NZ $)	3.0345	1.6961	1.0123	1.2617
[illegible]	(Zloty)	17010.0	9508.11	5674.73	[illegible]
[illegible]	(Escudo)	[illegible]	[illegible]	86.5387	[illegible]
Puerto Rico	[illegible]	[illegible]	1	[illegible]	[illegible]
Qatar	(Riyal)	6.4865	3.6257	2.1639	[illegible]
Reunion Il. de la	(F/Fr)	10.1150	5.6539	[illegible]	[illegible]
Romania	(Leu)	105.60(4)	[illegible]	35.2293	[illegible]
Rwanda	(Fr)	223.82	[illegible]	[illegible]	[illegible]
St Christopher	(E Carr $)	4.8195	2.6939	1.6078	2.0039
St [illegible]	(£)	[illegible]	0.5589	[illegible]	0.4158
St Lucia	(E [illegible] $)	[illegible]	2.6939	[illegible]	2.0039
St Pierre	[illegible]	10.1150	[illegible]	[illegible]	4.2058
St [illegible]	(E [illegible])	4.8195	[illegible]	[illegible]	[illegible]
[illegible]	([illegible] Lira)	2218.25	1239.94	[illegible]	[illegible]
[illegible] Tome	[illegible]	268.99	[illegible]	[illegible]	[illegible]
Saudi Arabia	[illegible]	6.6825	[illegible]	[illegible]	[illegible]
Senegal	(CFA Fr)	505.75	[illegible]	168.724	[illegible]
Seychelles	(Rupee)	10.00	[illegible]	[illegible]	[illegible]
Sierra Leone	(Leone)	[illegible]	[illegible]	[illegible]	158.503
Singapore	($)	[illegible]	1.7519	[illegible]	[illegible]
Solomon Is	($)	[illegible]	2.6805	1.5998	1.9939
Somali Rep	(Shilling)	4676.20	[illegible]	1560.03	1944.37
South Africa	(Rand)	4.8600	2.7166	1.6213	2.0207
		5.9155	[illegible]	1.9734	[illegible]
Spain	(Peseta)	184.50	103.13	61.5512	76.7151
Spanish Ports in N Africa	(Sp Peseta)	184.50	103.13	61.5512	76.7151
Sri Lanka	(Rupee)	72.50	[illegible]	[illegible]	30.1455
Sudan Rep	(£)	8.0325o	[illegible]	2.6797	[illegible]
		20.44g	11.4253	6.819	[illegible]
[illegible]	[illegible]	[illegible]	1.7809	[illegible]	1.3248
Swaziland	(Lilangeni)	4.8600	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	3.5913	[illegible]
Switzerland	(Fr)	2.5450	1.4225	0.849	[illegible]
Syria	(£)	[illegible]	[illegible]	12.5037	[illegible]
Taiwan	($)	[illegible]	27.2778	[illegible]	[illegible]
Tanzania	[illegible]	361.46	[illegible]	120.587	[illegible]
Thailand	(Baht)	[illegible]	[illegible]	15.3461	[illegible]
Togo Rep	(CFA Fr)	[illegible]	282.7	168.724	[illegible]
Tonga Is	(Pa Anga)	[illegible]	1.2806	0.7643	0.9525
Trinidad/Tobago	($)	7.5863	4.2405	2.5308	[illegible]
Tunisia	(Dinar)	[illegible]	0.9221	0.5503	[illegible]
Turkey	(Lira)	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	(US $)	1.7890	1	[illegible]	0.7438
Tuvalu	(Australian $)	2.2910	1.2806	[illegible]	[illegible]
Uganda	([illegible] Shilling)	[illegible]	636.154	[illegible]	[illegible]
UAE	(Dirham)	[illegible]	[illegible]	[illegible]	2.7212
United Kingdom	(£)	1.00	0.5589	[illegible]	0.4158
United States	[illegible]	1.7890	1	[illegible]	0.7438
Uruguay	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
USSR	[illegible]	[illegible]	0.5774	0.3446	[illegible]
		3.0990c	[illegible]	1.0338	1.2885
Vanuatu	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vatican	[illegible]	2218.25	[illegible]	740.033	[illegible]
[illegible]	(Bolivar)	98.125	[illegible]	32.7356	[illegible]
Vietnam	(Dong)	[illegible]	7385.45	4406.67	[illegible]
Virgin Is-British	([illegible] $)	1.7890	1	[illegible]	[illegible]
Virgin Is-US	[illegible]	1.7890	1	0.5968	[illegible]
Western Samoa	(Tala)	4.1357	[illegible]	[illegible]	[illegible]
Yemen	(Rial)	21.51	[illegible]	[illegible]	[illegible]
Yemen PDR	[illegible]	[illegible]	0.4599	0.2745	[illegible]
Yugoslavia	(Dinar)	[illegible]	[illegible]	[illegible]	11.1488
Zaire Rep	[illegible]	[illegible]	3622.14	2161.8	[illegible]
Zambia	(Kwacha)	[illegible]	54.3767	[illegible]	[illegible]
Zimbabwe	($)	[illegible]	[illegible]	[illegible]	[illegible]

Special Drawing Rights April 12,1991 United Kingdom £0.761697 United States $1.36420 Germany D Mark 2.28135 Japan Yen185.327
European Currency Unit [illegible] 15,1991 [illegible] Kingdom £0.689353 [illegible] States $1.23015 [illegible] D [illegible] 2.06481 [illegible] Yen165.947

Abbreviations: (a) Free rate; (b) Banknote rate; (c) Commercial rate ; (d) Controlled rate; (e) Essential imports; (g) Financial rate; (h) Exports; (j) Non commercial rate; (l) [illegible] rate; (k) Buying rate; (l) Luxury goods; (m) Market rate; (n) Public transaction rate; (o) [illegible]ficial rate; (p) preferential rate; (q) convertible rate; (r) parallel rate;§ Kuwait [illegible] (s) Selling rate; (t) Tourist rate [illegible] Currencies fixed against the US Dollar;
Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries: 071 634 4360/5.
Monday, April 15,1991
(1)Israeli Shekel Devalued 6.25% March 11.(2)Angola Kwanza devalued to 60 to the US Dollar,March 18.(3) Turkey revalued by 14% March [illegible] (4)Romanian Leu Devalued 42% April 8.(5)China Yuan Devalued 0.95% April 10.

INTERNATIONAL CAPITAL MARKETS

US bonds mixed after Fed signals no rate change

By Patrick Harverson in New York and Tracy Corrigan in London

US GOVERNMENT bond prices eased at the short end but held their gains at the long end yesterday morning after the Federal Reserve signalled no change in monetary policy via unusually early money market operations.

By midday the benchmark 30-year Treasury [illegible] & [illegible] 97[illegible], to yield 8.131 per cent. Earlier the long bond had been over half a point higher on hopes of lower interest rates. The two-year [illegible] in mid-session was down ⅛ at 100⅝, yielding 6.897 per cent.

Prices at both ends of the market had opened firmer in anticipation of a [illegible] from the Fed [illegible] interest [illegible] Speculation had intensified over the [illegible] that rates would be cut, in the form of either cheaper Fed funds or a reduction in the discount rate from [illegible] per cent, after [illegible] positive inflation news.

	Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
[illegible]	[illegible]	[illegible]	103-23	[illegible]	[illegible]	[illegible]	10.51
	[illegible]	03/00	[illegible]	[illegible]	[illegible]	[illegible]	10.21
	[illegible]	10/08	93-02	[illegible]	[illegible]	[illegible]	9.98
US TREASURY *	[illegible]	02/01	98-24	+10/32	[illegible]	[illegible]	8.04
	7 [illegible]	02/21	97-12	+18/32	8.11	8.15	8.23
JAPAN No 119	[illegible]	[illegible]	88 0697	[illegible]	7.11	7.02	6.96
No 129	[illegible]	03/00	[illegible]	[illegible]	6.71	[illegible]	[illegible]
GERMANY	9.000	[illegible]	104 4000	[illegible]	[illegible]	[illegible]	[illegible]
FRANCE BTAN	9 000	02/96	[illegible]	+0.151	[illegible]	9.05	9.11
OAT	9.500	[illegible]	104 3600	[illegible]	8.80	8.87	8.94
CANADA *	9 750	06/01	[illegible]	+0 200	[illegible]	9 44	9.55
NETHERLANDS	8 500	03/01	[illegible]	[illegible]	[illegible]	8.50	8.65
AUSTRALIA	[illegible]	07/00	111-2615	+0.428	[illegible]	[illegible]	11.48
BELGIUM	10.000	08/00	105.4000	[illegible]	9 10	8.94	[illegible]

[illegible]ing, [illegible] New York morning session [illegible]
Prices: US, UK in 32nds, others in decimal
[illegible] Data/ATLAS Price [illegible]

GOVERNMENT BONDS

However, when the Fed arranged overnight matched sale-purchase agreements around 10.45am, when Fed funds were trading at [illegible] per cent, prices fell back immediately. The Fed's move to drain reserves from the system indicated that it wished to see Fed funds trading at a higher rate than that.

The fact that the operations were [illegible] an hour before the traditional intervention-time between 11.30am and [illegible] suggested that the Fed wanted to send the clearest signal possible to the markets that monetary policy had not been eased, said analysts.

After the intervention Fed funds quickly firmed to 6¾ per cent, still below the target last set by the Fed of 6 per cent.

■ In London, the gilts market opened a little higher, but prices were held back by the prospect of further supply. An auction of short-dated stock totalling [illegible] £2bn will be announced today, for sale next week. Meanwhile the bank's [illegible] of long-dated bills remains largely unsold. In addition, the recent surge of activity in the sterling sector of the [illegible] market, including a further [illegible] of fixed-rate supply yesterday, is further [illegible] demand.

Some dealers said that there had been a little selling by foreign investors who [illegible] profits on the currency now that the pound is close to DM3.

The June long gilt [illegible] on the London International Financial Futures Exchange ended at 92[illegible], down from Friday's close of [illegible].

■ The rally in the German market appears to have stalled with prices slipping after an initial rise. Matched sales by the US Federal Reserve, read as a sign that further US rate cuts will be at least delayed, put pressure on the short end of the market. Long Bunds outperformed the short end, causing the yield curve to flatten.

The market has failed several times to breach resistance on the Bunds futures contract at 86.20. The Bund contract on Liffe ended at 85.78, down from Friday's closing level of 65.90.

■ The French bond market also continues to be led by the US market, but again outperformed Germany yesterday, partly because it is better underpinned by domestic demand, analysts said.

The margin between French and German 10-year government bonds has tightened about five basis points more during the past week to reach the historically narrow level of [illegible] basis points.

TNT placing raises A$70m

By Mark Westfield in Sydney

AUSTRALIAN transport group TNT has ended weeks of speculation over its fund raising [illegible] by placing 15m shares at A$1.50 [illegible] with a group of institutions.

TNT said the A$70m [illegible] proceeds would be used for "working capital" purposes.

Although the company did not reveal the names of the institutions offered the shares, it is understood that two were the AMP Society and National Mutual Life, two recent supporters of TNT in the market.

According to one analyst yesterday's issue would reduce the group's [illegible] "significantly".

TNT was due to raise A$140m from the exercise of options at a [illegible] strike price over May and June, but the recent weakness in the share price cast doubts on the company's ability to raise the money.

Analysts have blamed TNT's unpopularity on its high debt of A$2.2bn and its association with Mr Rupert Murdoch's News Corporation which suffered early this year during negotiations with its banks to reschedule $10bn in borrowings.

In January, TNT shelved plans to issue A$255m worth of preference shares at about the same time as it was downgraded by the credit agency Australian Ratings to BBB-minus, barely investment grade.

FT/AIBD INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6:06 pm on April 15

U.S. [illegible] STRAIGHTS	[illegible]	Bid	Offer	Chg. day	Yield
ABBEY NATIONAL 8 7/8 93	150	101½	102	-⅛	[illegible]
ALBERTA PROVINCE 9 3/8 95	600	104	104⅜	+⅛	[illegible]
AUSTRIA 8 1/2 00	400	99½	99⅞	+⅛	8.57
BANK OF TOKYO 8 3/8 96	100	99⅝	99⅞	+⅛	[illegible]
BELGIUM 9 1/8 92	400	102	102⅜		7.53
BFCE 7 3/4 97	150	98⅛	98½	+⅛	8.13
BNP 8 5/8 94	500	102	102⅜	+⅛	7.89
BP CAPITAL 9 5/8 93	150	102⅞	103⅜	+⅛	7.84
CANADA 9 96	1000	103⅞	104⅛	+⅛	8.03
CARCO 9 1/4 96	650	100⅛	100⅝	+1	9.20
CCCE 9 1/4 95	300	104	104⅜	+⅛	8.00
COUNCIL EUROPE 8 96	100	98⅞	99⅛	+⅛	8.25
CREDIT FONCIER 9 1/2 99	300	103	103⅜	+⅛	8.99
DENMARK 0 98	250	54⅛	55⅛	-⅛	8.63
DENMARK 8 1/4 94	150	101	101⅜	+⅛	7.87
ECSC 8 1/4 96	193	100⅛	100⅜	+⅛	8.18
EEC 7 1/4 93	250	99⅞	100⅛		7.31
EIB 7 3/4 96	250	98⅛	98⅝	+⅛	8.10
EIB 9 1/4 97	1000	103⅞	104	+⅛	8.47
ELEC DE FRANCE 9 98	200	102⅞	103⅛	+⅛	8.43
EUROFIMA 9 1/4 96	100	103⅛	103⅝	+⅛	8.44
EXPORT DEV CORP 9 1/2 98	150	105	105⅜	+⅛	8.53
FINLAND 7 7/8 97	200	97⅝	97⅞	+⅛	8.45
FINNISH EXPORT 9 3/8 95	200	104	104⅛	+⅛	8.26
FORD MOTOR CREDIT 9 1/2 93	300	102½	103		8.32
[illegible] ELEC CAPITAL 9 3/8 96	300	104⅛	104⅜		8.28
[illegible]MAC 9 1/8 96	200	101⅛	101⅜	+⅛	8.79
[illegible]	200	103	103½		7.92
IBM WORLD TRADE 7 5/8 93	150	97⅞	98⅛	-⅛	8.60
IND BK JAPAN FIN 7 7/8 97	200	96⅞	97⅛	+⅛	8.62
INTER AMER DEV [illegible]	200	97	97⅜	+⅛	8.32
ITALY 8 1/2 94	1500	101⅞	102⅛	+⅛	7.84
JAPAN DEV BK 8 94	150	100⅝	101⅛		7.76
KANSAI ELEC PWR 10 96	350	105⅛	105⅜	+⅛	8.68
LTCB 8 5/8 93	150	101⅜	101⅞	+⅛	7.80
NEW ZEALAND 8 93	100	100⅛	100⅜	+⅛	7.78
NIPPON CRED BK 9 3/4 93	150	103½	104	+⅛	8.10
NIPPON TEL & TEL 9 3/8 95	200	104⅛	104⅝	+⅛	8.08
NORDIC INV BANK 9 93	200	102⅛	103⅛	+⅛	7.38
ONTARIO HYDRO 11 5/8 94	200	108⅞	109⅜	-⅛	8.20
OSTER KONTROLLBANK 8 1/8 93	200	101⅜	101⅞	+⅛	7.32
PETRO-CANADA 7 1/4 96	200	95⅝	96⅛	+⅛	8.34
PRUDENTIAL RLTY SECS 0 99	365.216	50½	51	+⅛	9.22
QUEBEC HYDRO 9 3/4 98	150	104	104½	+⅛	8.97
QUEBEC PROV 9 98	200	100⅛	101⅛	+⅛	8.85
SAINSBURY 9 1/8 96	150	101⅛	102	-⅛	8.72
SAS 10 99	200	99⅞	100⅜	+⅛	10.01
SBAB 9 1/2 95	500	104⅛	104⅝	+⅛	8.23
STATE BK STH AUST 9 1/4 93	100	101⅞	102⅛	-⅛	8.07
SUMITOMO BK CAP MKT 9 3/8 93	150	102⅞	103⅛	+⅛	8.07
SWEDEN 8 1/8 94	150	100⅞	101⅛	+⅛	7.79
SWEDISH EXPORT 9 5/8 93	100	103⅛	103⅝		7.52
TOKYO METROPOLIS 8 1/4 96	200	99⅞	100⅛	+⅛	8.26
WORLD BANK 8 3/8 99	1500	100⅛	100⅜	+⅛	8.51
WORLD BANK 8 3/4 97	1500	102⅛	103	+⅛	8.31
XEROX CORPN 8 3/8 96	100	97⅛	98⅛	+2½	9.01

DEUTSCHE MARK STRAIGHTS	[illegible]	Bid	Offer	Chg. day	Yield
ASIAN DEV BANK 8 94	200	98⅛	[illegible]	-⅛	[illegible]
AUSTRIA 6 98	400	85⅛	[illegible]	-1⅛	8.91
CNT 6 1/8 98	200	84⅞	[illegible]	+⅛	8.97
CREDIT FONCIER 6 3/4 99	500	87⅞	[illegible]		8.97
DEUTSCHE BK FIN 5 5/8 96	750	88	[illegible]		8.62
EEC 5 3/8 93	300	94½	[illegible]	+⅛	8.94
EIB 6 1/8 96	300	87⅞	[illegible]	-1⅛	9.14
EIB 6 7/8 95	300	93⅞	[illegible]	+⅛	8.63
EUROFIMA 6 1/4 98	400	87⅞	[illegible]		8.65
FELDMUEHLE FINANCE 8 99	200	96⅛	[illegible]	-⅛	8.62
FERRO DEL STAT 5 3/8 93	500	94⅛	[illegible]		8.96
IND BK JAPAN FIN 5 5/8 96	200	87⅛	[illegible]	+⅛	8.74
INTER AMER DEV 7 1/4 99	300	92⅛	[illegible]	+⅛	8.50
LUFTHANSA INT FIN 5 7/8 98	500	85⅛	[illegible]	-⅛	8.70
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS [illegible]

YEN STRAIGHTS [illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
BAYERISCHE VEREINS INT 7 94 LFr	600	[illegible]	[illegible]	+⅛	9.47
KREDIETCORP 7 93 LFr	1000	[illegible]	[illegible]	+⅛	9.60
WORLD BANK 8 96 LFr	1000	[illegible]	[illegible]	-⅛	9.12
AMRO BANK 6 1/4 92 Fl	150	[illegible]	[illegible]		[illegible]
RABOBANK 5 3/4 93 Fl	150	94⅛	95		9.21
ALBERTA PROVINCE 10 92 C$	500	100⅛	100⅜		9.81
BCE INC 9 5/8 93 C$	300	99⅛	99⅝		10.04
BELL CANADA 10 5/8 99 C$	150	101	101⅜	+⅛	10.42
BRITISH COLUMBIA 9 1/4 93 C$	150	99⅛	[illegible]	+⅛	[illegible]
EIB 10 1/8 98 C$	130	100⅞	101⅛	-⅛	10.01
FORD CREDIT CANADA 10 94 C$	100	98⅞	99⅛		10.61
GENERAL ELECT CAP 10 1/4 93 C$	[illegible]	100⅞	101⅛	+⅛	[illegible]
MONTREAL TRUSTCO 8 1/2 92 C$	[illegible]	[illegible]	[illegible]	+⅛	10.30
ONTARIO HYDRO 10 7/8 99 C$	500	102⅛	103		10.37
QUEBEC PROV 10 1/2 98 C$	200	99⅞	100⅛		10.50
ROYAL TRUSTCO 10 1/4 93 C$	100	99⅛	99⅝		10.70
SWEDEN 9 3/4 93 C$	250	100⅛	100⅜		[illegible]
BELGIUM 9 1/8 96 Ecu	[illegible]	100⅛	100⅜		9.02
CNT 7 3/8 93 Ecu	[illegible]	94⅞	96⅛	-⅛	10.19
CREDIT LYONNAIS 9 96 Ecu	[illegible]	96⅛	97⅛	-1⅛	9.94
DENMARK 7 5/8 96 Ecu	250	90⅛	91⅛	-⅛	[illegible]
EEC 7 5/8 94 Ecu	[illegible]	96⅛	[illegible]		9.21
EIB 10 97 Ecu	1125	104⅞	105⅛		8.88
ITALY 10 3/4 00 Ecu	1000	[illegible]	110⅛	+⅛	[illegible]
UNITED KINGDOM 9 1/8 01 Ecu	2750	101	[illegible]	[illegible]	[illegible]
BMW FINANCE 14 1/2 92 A$	[illegible]	101⅛	102⅛		12.59
COUNCIL EUROPE 13 93 A$	50	101⅛	102⅛	+⅛	12.17
EKSPORTFINANS 12 3/8 95 A$	[illegible]	[illegible]	[illegible]	-⅛	[illegible]
FORD CRED AUST 13 93 A$	[illegible]	100⅝	101⅛	+⅛	12.57
ICI 15 1/2 92 A$	100	102⅞	103⅛		12.51
MCDONALDS CANADA 15 95 A$	100	107½	108	[illegible]	12.55
NAT AUSTRALIA BANK 14 3/4 94 A$	150	105⅝	106⅛	+⅛	12.23
STATE BK NSW 14 1/4 99 A$	180	[illegible]	110⅛	+⅛	12.29
VOLKSWAGEN INTL 15 94 A$	100	105⅛	[illegible]	+⅛	[illegible]
ABBEY NATL TREAS 13 3/8 95 £	100	106⅛	[illegible]	-⅛	11.31
BARCLAYS JERSEY 9 1/2 93 £	250	97⅛	97⅝		11.12
BRITISH GAS 12 3/4 95 £	300	105⅛	105⅝		11.01
DEUTSCHE BK FIN 11 94 £	225	100⅛	100⅞		10.74
EIB 10 97 £	386.5	97⅛	[illegible]		10.67
FORD CREDIT FUNDING 9 5/8 93 £	50	96	96½	+⅛	11.99
INTER AMER DEV 11 3/8 95 £	75	102⅛	102⅜		[illegible]
ITALY 10 1/2 14 £	400	[illegible]	95⅛		11.14
LAND SECS 9 1/2 07 £	[illegible]	[illegible]	81⅞	-⅛	12.19
LEEDS PERMANENT 9 1/4 93 £	[illegible]	[illegible]	96⅛	-⅛	11.67
NORWAY 10 1/2 94 £	[illegible]	99⅛	99⅝	-⅛	10.79
ROLLS-ROYCE 9 5/8 93 £	150	96	96½		11.75
SAINSBURY 10 7/8 93 £	100	99⅛	99⅝		11.38
SKANDINAVISKA ENSK 13 1/8 95 £	100	104⅛	105⅛	+⅛	11.51
WORLD BANK 11 1/4 95 £	100	[illegible]	102⅛	-⅛	10.69
ABBEY NATIONAL 0 96 NZ$	100	52⅛	53⅛	+⅛	12.90
TELECOM NZ O/S FIN 13 1/8 93 NZ$	75	102	103	+⅛	12.04
AIDC 7 7/8 93 FFr	600	96⅛	97⅛		9.38
CREDIT LYONNAIS 10 95 FFr	3200	101⅞	102⅛	+⅛	9.42
EURATOM 7 5/8 98 FFr	[illegible]	91⅛	91⅞	-⅛	9.31

FLOATING RATE NOTES	Issued	Bid	Offer	C.cpn
ALBERTA PROVINCE 1/32 93	500	100.09	100.19	7.5938
ALLIANCE & LEICS 0.08 94 £	300	99.53	99.61	14.1425
BANCO ROMA 0.03 01	200	91.38	92.63	7.9363
BANCO SANTO SPIRITO 93	200	99.64	99.74	6.5000
BELGIUM 1/16 97 DM	500	99.96	100.08	9.1250
BFCE -0.02 96	350	100.09	[illegible]	7.7925
BNP 05	300	97.08	[illegible]	7.4375
BRITANNIA 1/10 96 £	150	99.06	99.18	14.1625
CCCE 06 ECU	200	99.96	100.06	9.4435
CITIZENS FED 0.15 96	100	99.45	99.65	7.0250
COMMERZBK O/S FIN 93	200	99.85	99.95	[illegible]
DENMARK -1/8 96	[illegible]	99.47	99.57	6.9938
DRESDNER FINANCE 1/32 98 DM	[illegible]	99.64	99.76	9.2188
ELEC DE FRANCE 1/8 99	400	99.56	[illegible]	7.0000
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS [illegible]

* No information available - previous day's price
† Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate [illegible] US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. [illegible]

هكذا من الأصل

INTERNATIONAL CAPITAL MARKETS

Mexico seeks benchmark for private sector funding

By Peter Montagnon in London and Damian Fraser in Mexico City

MEXICO'S return to the international capital markets is aimed primarily at establishing a benchmark for private sector entities which are now actively raising overseas finance, Mr Angel Gurria, under-secretary for international finance, said in London.

Speaking at the weekend as Nacional Financiera, the Mexican state finance company, raised the size of its latest 10 per cent Eurobond by $25m to $125m, Mr Gurria said there was now no public sector deficit to finance.

The private sector was well-placed to finance the country's current account deficit, officially projected at some $6bn this year, but thought likely to be higher by private economists.

"The reason why we went to the market was to set [illegible] marker," he said. Private sector borrowers who have projects to finance "were all over the place," he said.

The public [illegible] was authorised to borrow up to $2.7bn this year, but even if it reached this total, Mexico's debt would still decline [illegible] proportion of economic output.

Mr Gurria was in London to promote foreign investment in Mexico ahead of the expected flotation this spring of [illegible] further tranche of the government's remaining 26 per cent stake in Telmex, the telephone utility. The sale will mark the first time a developing country has sold [illegible] public utility through the international capital markets.

Angel Gurria: interest rates continue to drop

Mexico's buoyant economy had prompted a return of flight capital estimated at some $6bn over the past 18 months and a similar amount in direct foreign investment, he said.

These flows should continue despite the widening current account deficit and last November's decision to slow the rate of peso devaluation to a level below inflation. The government's ability [illegible] deal with the economy was bolstered by its high foreign exchange reserves, estimated by private Mexican economists at some $13bn.

The 5 per cent devaluation rate was sufficient in the light of US inflation and productivity increases in Mexico, he said. Foreign investors were [illegible] being attracted by the prospect of a free trade agreement with the US and Canada.

"Domestic interest rates continue to drop. Money continues to come in. So [illegible] be doing something right," he said.

Telmex has reported profits of 3.3bn pesos ($1.1m) for last year, an increase of 82 per cent in real terms over 1990. Revenues grew by 44 per cent to 11.3bn pesos.

The results, which are better than expected, reflect recent increases in telephone tariffs, and [illegible] rise in the number of telephones in service. Under the terms of its government contract, Telmex is expected to make an annual real rate of return of 12 per cent on capital employed.

In May the Mexican government will sell [illegible] 14 per cent stake in Telmex through an international offering. At current prices the issue is worth $1.7bn. Just under 7 per cent of the shares will be issued in Mexico, 50 per cent in the US and the rest in Europe and Japan.

The offering, if successful, will be one of the biggest in the international capital markets. It will reduce the Mexican government's stake to 12 per cent.

The issue will [illegible] co-ordinated by Goldman Sachs and managed in [illegible] UK by S. G. Warburg and in Japan by Nomura. Mr Gurria said it would help bring some liquidity to a stock market still plagued by a shortage of paper.

San Miguel plans debt issue

By Greg Hutchison [illegible] Manila

SAN MIGUEL Corporation, the Philippines brewer and industrial group, plans to issue convertible debt for an expansion and modernisation programme that will utilise up to 42.5m new shares, equivalent to 7.5 per cent of group capital.

The company expects to allocate more than 5.0bn pesos ($180m) this year for expansion and modernisation. The funds for the programme will come internally and from external sources – by the flotation of commercial paper, tapping sources of development funds and through a convertible debt.

San Miguel said the company experienced difficulties last year and faces more challenges. But the company was confident about [illegible] for the medium and long term. The group's three-year-old expansion programme remained essentially on schedule, Mr Soriano was quoted as saying. As a result of the investments then and to come, San Miguel expected to be in a position to take advantage of opportunities when the economy starts to recover later this year.

San Miguel recently reported [illegible] 26 per cent decline in net profit for 1990 to 1.8bn pesos on turnover of 43.8bn pesos.

● SIDMAR of Belgium, the diversified steelmaker, has signed a $5.8m three-year contract with STA Software Technologists of the Philippines for SIDMAR's computer software overhaul.

SIDMAR chose the company after project involving the successful re-engineering of 232 of the group's programmes.

Japanese apply to open offices in Taiwan

By Emiko Terazono in Tokyo

SEVEN leading Japanese brokerages have applied to open representative offices in Taiwan, despite the threat of condemnation from Chinese authorities in Peking.

The brokerages said that the main objective of the representative offices will be to collect information, but the official move is likely to be badly received in Peking, which has already punished the Bank of Tokyo for opening an office in Taiwan and opposes any increase in official links with Taiwan.

The seven houses are Nomura Securities, Daiwa Securities, Nikko Securities, Yamaichi Securities, New Japan Securities, Wako Securities and Sanyo Securities.

An official at one brokerage said that the Japanese securities houses have already been conducting business in Taiwan through subsidiaries based in Hong Kong and elsewhere, and that new offices will not change greatly the substance of their business.

The firms have been selling Japanese equity to Taiwanese investors, and providing services, such as presenting merger and acquisition information. A securities house official said that Taiwanese investors who had bought Japanese stocks before last year's crash in Tokyo had filed complaints that the lack of official representation had limited their legal rights.

Taiwanese authorities, wanting a means of controlling the operations of the Japanese houses, demanded that the companies officially file applications to open offices if they wanted to conduct business in Taiwan.

Peking rejected the Bank of Tokyo's participation in a planned joint venture finance company last year as a result of opening an office in Taiwan.

The brokerages have been tight-lipped about their operations in Taiwan, but one official said that China's funding need is expected to limit its response. China has been sounding out Japanese houses in the hope of issuing yen bonds in Tokyo.

Busy day for sterling [illegible] issues

By Simon London

NEW ISSUE activity in the international bond market was centred on sterling yesterday, with four contrasting deals testing demand for floating rate, subordinated and straight sterling paper.

In the first floating-rate note issue since October last year, Woolwich Building Society offered £100m three-year paper lead managed by UBS Phillips & Drew.

INTERNATIONAL BONDS

The notes pay a margin of ⅛ point over the three-month London interbank offered rate, and was reoffered to investors at the fixed price of 99.70. At this level the paper pays a discounted margin of 25 basis points [illegible] Libor, [illegible] small premium over [illegible] in the secondary market.

Participants in the [illegible] reported firm demand from UK institutional investors, although a few houses [illegible] to participate on the grounds that the fees – 4 basis points for underwriting – were insufficient.

If the deal performs well over the next few days it may open the way for further floating-rate note issuance by UK building societies, which have concentrated [illegible] fixed-rate funding this [illegible]

National Westminster Bank's £100m [illegible] subordi[illegible] paper, [illegible] underwrit[illegible] by Natwest Capital Markets, [illegible] the first 10-year subordinated [illegible] in sterling since 1988.

The issue counts as Tier II capital for the issuer under the Basle Guidelines on international bank capital adequacy and other UK banks may follow if they judge the issue to be a success.

The paper carries an 11¾ per cent coupon and was priced to yield a substantial 135 basis points over the benchmark 10-year gilt.

NatWest reported strong demand from European institutional accounts, attracted by the high yield on [illegible] rated [illegible] and AA-2 respectively by Moody's Investors Service and Standard & Poor's.

Export-Import Bank of Japan [illegible] with the first [illegible] by a Japanese government guaranteed issuer since 1988. The deal was, in part, a positive response to the Bank of England's decision last month to allow Japanese banks to act as lead managers on sterling transactions. The borrower also found an attractive swap arbitrage between sterling and floating rate dollars.

The £150m 10-year deal was [illegible] managed by Warburg Securities and co-lead managed by IBJ. The paper carries [illegible] coupon of 10⅝ per cent and [illegible] priced to yield 46 basis points over the 10 per cent UK government bond 2001.

The yield spread places Ex-Im Bank alongside supranational borrowers such as the Asian Development Bank. Demand from UK and European institutional investors ensured rapid placement of the deal, with the yield spread over gilts closing to 44 basis points by late afternoon.

At the shorter end of the yield curve, Credit Local de France followed its debut in the sterling sector last month with a £100m three-year issue lead managed by Credit Suisse First Boston.

The bonds pay a coupon of 11 per cent and were priced to yield 37 basis points over the benchmark three-year gilt. The borrowers' £100m five-year deal launched last month offered a yield spread of 40 basis points over UK government paper.

Elsewhere, Japan Finance Corporation for Municipal Enterprises came with [illegible] 10-year $150m deal lead managed by IBJ. The bonds were priced to yield 50 basis points over US Treasury paper, a pick up of only around 3 basis points over more liquid deals by comparable issuers such as Japan Development Bank.

However, demand for sovereign-backed dollar paper at this maturity is strong and from an issue price of 99.25 the paper traded up to 99.40 bid.

Waldner, the Chicago-based risk management group, launched its second "increasable yield" Ecu bond issue via Swiss Bank Corporation.

The proceeds of the issue are invested by Waldner in futures and options funds, part of the proceeds of which will be passed on to bond holders. The bonds pay a minimum coupon of 4½ per cent which may be increased, depending on Waldner's investment performance.

The issue is backed by a holding of medium-term notes issued by SBC and carries a triple-A credit rating as a result. The indicated size of the issue is Ecu50m to Ecu100m. The deal will be priced on May 8.

NEW INTERNATIONAL [illegible] ISSUES

Borrower	Amount m.	Coupon %	[illegible]	Maturity	[illegible]	[illegible]
US DOLLARS						
Japan Finance [illegible]	150	[illegible]	99¼	[illegible]	32.5/12.5bp	IBJ Int.
STERLING						
Export-Import [illegible] Japan(a)†	150	10⅝	99.37	2001	[illegible]	SG Warburg Secs.
Credit Local de France(a)†	100	11	101.4125	1994	1⅛/1.275	CSFB
Nat[illegible] Bk(a)†	100	11¾	99.664	2001	-	[illegible] Cap.Mkts.
[illegible] Building Soc.(b)#†	100	(b)	100	[illegible]	[illegible]	[illegible] Phillips [illegible] Drew
[illegible]						
[illegible]	(50-100)	(c)	100	2001	[illegible]	[illegible]
D-MARKS						
[illegible] O'seas.Cap.Corp(a)†	300	[illegible]	101⅝	1994	1.85/1	[illegible] Bank
LIRE						
[illegible] Finance [illegible]	150bn	12⅛	101.70	1995	1⅝/1⅛	Bca.Comm.Italiana
[illegible]						
Kubota(a)†	10bn	7	100.685	1998	1⅛/⅝	Daiwa [illegible]

★★Private placement. [illegible] §With equity warrants. ‡Floating rating note. †Final terms. a) [illegible] b) Coupon pays ⅛% over 3-month Libor. Non-callable. c) Collateralised issue. Pays initial coupon of 4½% with part of proceeds used to invest in Futures [illegible] Options portfolio, whose profits will be used to pay a higher coupon. SBC sole underwriter. Selling concession - 1½% up to Ecu3m, and 1¼ for over Ecu3m.

Hong Kong exchange to liberalise listing rules

THE Hong Kong [illegible] Exchange has announced a [illegible] more liberal listing rules, Reuter reports from Hong Kong.

From May 13, the exchange will lower its minimum market capitalisation requirement and reduce the minimum number of years in business for compa[illegible] seeking a listing. A ban on [illegible] buy-backs is also to be [illegible]

"In general, these changes are in response to comments from the market," Mr Mark Hanson, deputy chief executive of the exchange, said.

Companies seeking a listing will need to show a business record of three years, instead of five.

The minimum initial capitalisation requirement for companies seeking a listing, currently HK$100m, will be changed according to a sliding scale to include capitalisation, minimum value of shares to be floated to the public and percentage of capital in public [illegible]

The exchange will also lift a ban on listed companies buying back their own shares, provided the shares are bought on the exchange and with the approval of a simple [illegible] of shareholders.

[illegible] revised rules, when seeking investor approval company directors must send investors an explanatory statement. Shareholders can approve individual buy-backs or adopt a general mandate to be renewed annually.

● Tung Wing Steel Holdings intends to sell 25 per cent of its shares to the public to raise HK$87m, AP-DJ reports from Hong Kong. The shares are offered at HK$1.02 each and come with warrants attached on a one-for-four ratio.

● Wah Shing Toys Consolidated has invited local shareholders to subscribe to an open offer of 91.91m new shares at 48 cents on a one-for-four basis.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

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EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Monday April 15 1991 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1991 to date	Fri Apr 12 Index No.	Thu Apr 11 Index No.	Wed Apr 10 Index No.	Year ago (approx) Index No.
1 CAPITAL GOODS (187)	873.73	+0.2	11.21	5.53	10.95	11.55	872.31	877.76	877.72	845.08
2 Building Materials (24)	1128.87	-0.1	11.37	5.49	10.87	8.18	1130.52	1139.22	1132.51	1025.33
3 Contracting, Construction (31)	1375.71	-0.2	10.65	5.73	12.13	21.06	1378.46	1387.41	1387.07	1354.67
4 Electricals (10)	2464.86	-0.8	10.66	5.43	11.58	40.46	2483.51	2438.33	2420.88	2377.51
5 Electronics (26)	1847.74	-0.1	8.48	4.82	15.67	3.31	1849.04	1869.45	1883.67	1781.34
6 Engineering-Aerospace (8)	463.44	+1.0	15.12	5.40	7.99	8.86	458.88	459.94	458.94	441.14
7 Engineering-General (47)	461.66	....	12.45	5.68	9.70	7.96	461.63	461.88	461.93	464.61
8 Metals and Metal Forming (8)	491.91	+1.0	18.54	7.02	6.66	0.59	486.86	490.35	491.45	481.56
9 Motors (13)	353.39	+0.1	12.08	6.76	9.80	9.45	352.96	357.09	353.30	344.98
10 Other Industrial Materials (20)	1555.00	+0.5	9.26	5.21	12.76	28.99	1547.81	1562.09	1568.83	1561.33
21 CONSUMER GROUP (185)	1475.84	+0.2	8.31	3.61	14.91	11.93	1472.27	1473.37	1464.88	1208.47
22 Brewers and Distillers (22)	1790.47	+0.3	8.98	3.62	13.73	14.86	1784.82	1789.34	1769.73	1402.22
25 Food Manufacturing (20)	1209.60	+0.4	9.35	4.03	13.17	15.95	1204.56	1203.36	1204.57	1052.10
26 Food Retailing (16)	2842.16	-0.3	7.70	2.74	16.98	14.42	2851.63	2837.37	2827.09	2246.09
27 Health and Household (21)	3251.43	+0.6	6.25	2.60	19.01	20.72	3232.92	3242.41	3200.61	2547.67
29 Hotels and Leisure (21)	1355.99	-0.8	10.21	5.09	11.52	16.64	1366.33	1375.49	1367.61	1358.13
30 Media (24)	1519.07	+0.4	9.12	4.45	13.81	17.84	1513.16	1511.48	1508.69	0.00
31 Packaging, Paper & Printing (16)	679.74	-0.6	8.21	4.85	15.22	11.00	683.94	683.01	680.34	565.72
34 Stores (34)	934.99	+0.5	8.89	3.86	14.59	2.37	929.93	929.02	930.42	731.26
35 Textiles (11)	542.56	....	9.78	5.94	12.90	3.08	542.40	545.69	547.63	483.93
40 OTHER GROUPS (108)	1223.94	+0.7	9.83	4.93	12.44	9.64	1215.24	1223.96	1223.16	1120.28
41 Business Services (13)	1218.71	-0.1	11.04	4.87	11.09	8.36	1219.87	1231.93	1233.29	0.00
42 Chemicals (21)	1262.94	+0.2	9.26	5.67	12.37	23.86	1260.86	1276.48	1272.52	1187.95
43 Conglomerates (10)	1546.65	+1.5	10.84	6.65	11.02	12.84	1524.22	1547.48	1554.07	1581.41
44 Transport (14)	2196.38	-0.3	11.16	4.70	10.92	25.52	2203.98	2191.72	2199.39	2165.26
45 Electricity (14)	1184.05	+0.3	11.71	5.63	10.70	0.00	1180.95	1179.86	1167.24	0.00
46 Telephone Networks(4)	1464.46	+0.8	9.08	3.41	14.33	0.00	1453.08	1463.69	1461.63	1106.41
47 Water(10)	2536.12	+0.9	13.37	5.52	8.36	39.69	2512.44	2523.62	2505.29	1857.89
48 Miscellaneous (22)	1918.56	+1.6	6.29	4.86	20.21	21.39	1888.87	1904.99	1916.03	1778.76
49 INDUSTRIAL GROUP (480)	1251.96	+0.4	9.39	4.42	13.11	11.34	1247.26	1252.15	1248.44	1103.56
51 Oil & Gas (20)	2456.65	+1.6	10.26	5.42	12.69	40.03	2416.85	2395.35	2376.02	2245.14
59 500 SHARE INDEX (500)	1353.92	+0.5	9.50	4.55	13.05	13.58	1346.62	1349.66	1344.78	1198.79
61 FINANCIAL GROUP (97)	845.29	+0.4	–	5.58	–	17.25	842.00	840.00	834.84	799.92
62 Banks (9)	949.85	+0.3	7.81	5.78	18.50	21.93	947.08	941.46	933.51	866.26
65 Insurance (Life) (7)	1578.32	+1.3	–	5.24	–	41.64	1557.97	1545.82	1540.24	1274.44
66 Insurance (Composite) (6)	701.88	+0.2	–	6.25	–	20.23	700.61	702.69	697.76	653.66
67 Insurance (Brokers) (8)	1197.16	+1.6	6.67	5.61	19.52	20.10	1178.71	1184.60	1174.88	1042.32
68 Merchant Banks (7)	424.22	-0.1	–	4.78	–	4.47	424.82	420.12	422.31	452.50
69 Property (40)	1021.70	....	6.35	4.58	21.47	4.21	1021.58	1025.08	1018.99	1149.00
70 Other Financial (20)	288.69	....	9.55	6.26	12.90	4.41	288.62	289.95	290.80	312.60
71 Investment Trusts (69)	1220.66	+0.5	–	3.37	–	10.94	1214.06	1212.13	1205.50	1141.86
99 ALL-SHARE INDEX (666)	1229.26	+0.5	–	4.66	–	14.09	1222.89	1224.72	1219.80	1101.24

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Apr 12	Apr 11	Apr 10	Apr 9	Apr 8	Year ago
FT-SE 100 SHARE INDEX‡	2542.8	+16.7	2551.5	2525.7	2526.1	2531.6	2518.8	2527.2	2529.9	2222.1

FIXED INTEREST

PRICE INDICES	Mon Apr 15	Day's change %	Fri Apr 12	Accrued interest	xd adj. 1991 to date
British Government					
1 Up to 5 years (28)	120.79	-0.08	120.88	1.72	3.52
2 5-15 years (30)	130.54	-0.27	132.02	0.98	5.15
3 Over 15 years (8)	138.89	-0.38	139.42	1.68	4.05
4 Irredeemables (6)	156.15	-0.08	156.28	3.97	1.50
5 All stocks (72)	129.84	-0.21	130.76	1.34	4.52
Index-Linked					
6 Up to 5 years (1)	157.92	....	157.91	-0.28	2.72
7 Over 5 years (10)	146.87	+0.01	147.21	0.48	1.52
8 All stocks (11)	147.73	+0.01	148.06	0.45	1.56
9 Debs & Loans (54)	110.06	+0.12	109.93	2.40	2.65

AVERAGE GROSS REDEMPTION YIELDS		Mon Apr 15	Fri Apr 12	Year ago (approx.)
British Government				
1 Low	5 years	9.16	9.11	11.80
2 Coupons	15 years	9.62	9.52	11.40
3 (0%-7¾%)	20 years	9.74	9.64	11.28
4 Medium	5 years	10.24	10.19	13.00
5 Coupons	15 years	10.04	10.00	11.91
6 (8%-10¾%)	20 years	9.99	9.95	11.46
7 High	5 years	10.38	10.32	13.11
8 Coupons	15 years	10.21	10.16	12.21
9 (11%-)	20 years	10.15	10.10	11.73
10 Irredeemables		9.94	9.93	11.27
Index-Linked				
11 Inflation rate 5%	Up to 5yrs.	3.74	3.74	4.81
12 Inflation rate 5%	Over 5 yrs.	4.10	4.10	4.17
13 Inflation rate 10%	Up to 5 yrs.	2.83	2.82	3.74
14 Inflation rate 10%	Over 5 yrs.	3.90	3.90	3.98
15 Debs &	5 years	11.87	11.86	16.40
16 Loans	15 years	11.63	11.64	14.37
17	25 years	11.42	11.43	13.59

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	3	[illegible]	13
Corporations, Dominion and Foreign Bonds	0	[illegible]	13
Industrials	[illegible]	188	[illegible]
Financial and Properties	222	61	[illegible]
Oils	33	5	[illegible]
Plantations	1	[illegible]	5
Mines	[illegible]	27	110
Others	75	32	64
Totals	772	391	1,657

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amt'nt Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price	+or-	Net Div	Times Cov'd	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price £	+or-
[illegible]							

RIGHTS OFFERS

Issue Price	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price p	+or-
255	Nil	[illegible]	[illegible]	[illegible]	BPP 10p	[illegible]	
800	Nil	17/6	155pm	94pm	Bass	[illegible]	-4
220	Nil	–	30pm	22pm	Bellway	[illegible]	-3
255	Nil	31/5	74pm	60pm	Berkeley Group	[illegible]	
157	Nil	–	4½pm	2pm	F & C Eurotrust	[illegible]	
IR£2.75	Nil	–	½pm	¼pm	Gaelic Resources	½pm	
155	Nil	25/4	43pm	32pm	Hartstone 10p	43pm	+2
90	Nil	–	17pm	7½pm	Bostock Johnsen	9pm	+1
A$5.25	Nil	24/5	21pm	15pm	Nat. Australia Bank A$1	16pm	+1
295	Nil	–	48pm	36pm	Ocean Group	41pm	
238	Nil	9/5	38pm	26pm	Persimmon 10p	32pm	-4
10	Nil	8/5	11½pm	5pm	Saatchi & Saatchi 10p	8½pm	
200	Nil	10/5	35pm	21pm	Sage 5p	34pm	+10

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates [illegible] 1990-91. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ¶ Unlisted securities market. ♦ Issued in connexion with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

- First Dealings [illegible]
- [illegible] Dealings April 19
- Last [illegible] July 11
- For [illegible] July [illegible]

For [illegible] see [illegible] of London Share Service

Calls in ADT, Albert Fisher, Aviva Pet., Berisford Intl., Brent Walker, Conroy Pet., Control [illegible], Lonrho, Midland Bank, Morgan Crucible, Markheath, Premier Cons., Proteus, [illegible] and Tuskar Res. Puts in BET, Clayform Props., Cowan de Groot and Propeller. Put and call in WPP.

LONDON TRADED OPTIONS

Option		Calls Apr	Calls Jul	Calls Oct	Puts Apr	Puts Jul	Puts Oct
Allied Lyons	500	32	45	60	[illegible]	16	[illegible]
[illegible]	550	3	20	36	28	45	48
	600	1	[illegible]	18	75	83	85
Utd. Biscuits	360	30	44	53	1	[illegible]	10
[illegible]	390	6	24	34	9	17	21
[illegible]							
Sainsbury	360	32	42	54	1	6½	10
[illegible]	390	7	20	35	6	18	22
Shell Trans.	500	16	39	48	6	14	22
(*512)	550	2	–	–	40	–	–
Storehouse	110	10	14	18	2½	6	9
(*118)	120	3½	9½	12	[illegible]	10	12
Trafalgar	240	20	27	36	2½	14	20
(*255)	260	6	18	25	10	25	32
STC	300	–	–	–	¼	¼	–
(*320)	330	¼	–	–	–	–	–

Option		Calls Jun	Calls Sep	Calls Dec	Puts Jun	Puts Sep	Puts Dec
Blue Circle	240	21	29	34	[illegible]	15	16
[illegible]	260	11	18	23	20	25	27
[illegible]							
Abbey Nat.	260	32	37	45	3	7	8½
(*284)	280	18	25	33	9	14	16
Amstrad	70	13	18	[illegible]	2	5	6
(*79)	80	6½	11	15½	[illegible]	7	11
Barclays	460	38	48	65	12	22	25
(*479)	500	16	27	34	30	38	[illegible]

PUTS								
Apr	3	4	6	16	35	70	115	–
May	10	14	23	38	60	89	125	–
Jun	17	24	33	48	68	98	135	173
Jul	25	35	45	60	83	110	142	–
Dec †	–	66	–	100	–	145	–	195

April 15 Total Contracts 26,089
Calls 18,982 Puts 7,107
FT-SE Index Calls [illegible] Puts 2,174
Euro FT-SE Calls 3,39[illegible] Puts 169
*Underlying security price. † Long dated expiry months
Premiums shown are based on offer prices.

Waiting for carpets to bag a reasonable pile

Maggie Urry on the receiver's attempt to sell Lowndes Queensway's Carpetland chain

ANOTHER CHAPTER in the saga of Lowndes Queensway, the furniture and carpet retailer which went into receivership in August last year, could soon be written.

The chain's carpet business, which trades under the Carpetland name in England and General George in Scotland, has been formally put up for sale by Ernst & Young, the receiver.

Unusually for a receiver, Ernst & Young has produced the sort of glossy marketing brochure which is more typical of an information memorandum produced by a merchant bank for a more conventional trade sale. The brochure has been sent to more than 20 possible purchasers in the UK and continental Europe, all companies with some retail connection, and some responses have already come in.

Mr Terry Carter, the Ernst & Young partner dealing with Lowndes, says the firm considered calling in a merchant bank to organise the sale but decided its own corporate finance department could handle the deal.

Lowndes was formed by a £450m leveraged buy-out of Harris Queensway, Sir Phil Harris' business, in summer 1988. Mr James Gulliver, who headed the buy-out, had started negotiations with Sir Phil in the spring. Ironically, just as the talks started, UK base rates started to reverse their previous downward trend. By the time the deal was struck, interest rates were climbing again.

That rise in rates was to be Lowndes' undoing. Higher interest rates both depressed sales in the stores, and increased the cost of the debt taken on to finance the deal.

Even more ironically, the receivers were called in on the night of August 14 last year, only a few weeks before the first cut in interest rates came.

When Mr Carter moved in he found a business with nearly £200m of bank loans, about 430 shops open, and sizeable on-going trading losses.

The first hope [illegible] to sell the businesses off as going concerns, and a number of small deals were done. Since then 85 stores have been sold and contracts to sell another 12 have been exchanged. A further 52 have been dealt with, such as leases being surrendered to landlords, and Mr Carter says, there are offers on another 40 and expressions of interest in more.

Meanwhile, Lowndes customers who had paid deposits have had their money back.

One idea originally discussed was a management buy-out of the carpet business. But, says Mr Carter, by November this had been ruled out as conditions were simply not favourable to a deal. Having recognised that, Mr Carter says, he had to see what could be made out of the business.

After cost-cutting and store closures, the reduction in size from 150,000 to 15,000 [illegible] huge carpet-cutting centre, [illegible] in staff to about 830 people, and the establishment of [illegible] management team under Mr Ray Nethercott, a budget could be produced.

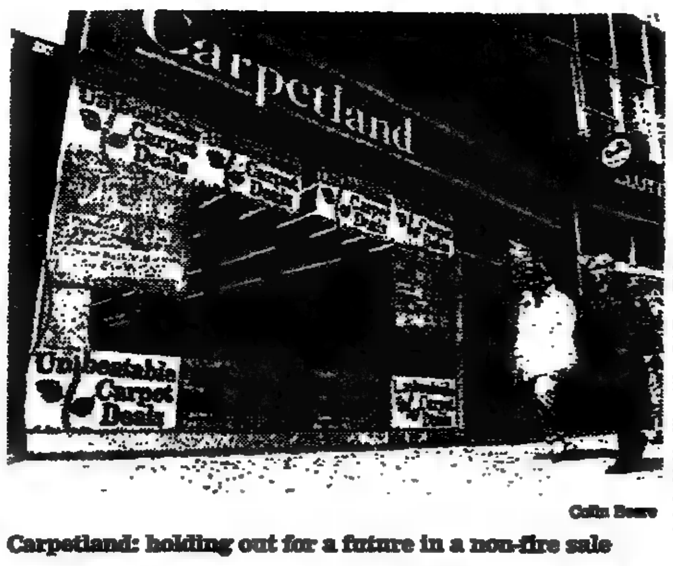
This showed that, assuming no worsening in the economic climate, Carpetland should be able to make sales of about £50m and profits of perhaps £1m in the current financial year, to end-January 1992.

Such is the operational gearing in retailing, that once the fixed costs are covered, any rise in turnover would feed through rapidly to profits without much in the way of marginal costs. The shops were operating at much higher turnover levels back in the consumer boom of the late 1980s and the implication is that Carpetland could make much higher profits in [illegible].

This analysis persuaded Mr Carter, and the b[illegible] owed money [illegible] Lowndes, [illegible] was better not to sell off Carpetland at any price but to hold on for a higher [illegible].

Unfortunately the same could not be said for the furniture side, now cut back to about 115 shops, with a turnover running at about £500,000 a week. The plan for this business continues to be to sell off shops in dribs and drabs, with outlets kept trading in the meantime to offset at least some of their costs.

However, Mr Carter is hoping that a buyer for Carpetland could be persuaded that a purchase now would be the opportunity for a bargain. A lot of reconstruction work has already been done – not least the painful task of cutting staff numbers.



Colin Beere

Carpetland: holding out for a future in a non-fire sale

Mr Carter is optimistic that Carpetland has a future, and reckons it has about 5 per cent of the UK carpet market.

The book value of the Carpetland business is about £20m, including stock, although no value has been ascribed to short-lease properties, and a majority of the shops are owned on this basis. However, analysts feel that the likely sale price would include negative, rather than positive, goodwill.

With luck, Mr Carter hopes [illegible] complete [illegible] Carpetland sale by mid-May but realises that the date may slip beyond that. On the other hand, he stresses this is not a fire sale, and though receivers are not normally long-term holders of companies, he is content to keep the business until the best offer – which could yet come from a management buy-out – can be obtained.

While the Lowndes receivership is likely to drag on for some time yet, and the banks are now [illegible] to taking a substanti[illegible] their loans, at least part of the Lowndes business could soon be in the hands of a long-term owner again.

What Everyone Wants boosts Amber Day profits to £5.5m

By Richard Gourlay

[illegible] DAY, [illegible] fashion retail group, yesterday reported a sharp increase in pre-tax profits to £5.52m in the six months to January after the acquisition last June of What Everyone Wants, the Northern and Scottish discount shopping chain.

The profit compared with £1.31m, and was achieved on sales up £44.82m at £55.45m.

Earnings per share rose 84 per cent to 3.86p (2.1p) and the interim dividend is increased to 0.9p (0.7p).

Mr Philip Green, the chairman, said that the What Everyone Wants value-for-money formula had proved profitable and resilient in the recessionary climate, and the management had successfully improved gross margins.

The interest charge rose to £1.5m on debt that last year-end [illegible] at [illegible] which time [illegible] company had [illegible] tive net worth of £5.6m.

Debt is expected to fall £6-7m by the financial year-end, depending on whether the company sells a department store site in Glasgow, where planning permission has recently been granted, and on the level of year-end stocks.

Operating profit from retailing accounted for £7.17m and should reach £12m for the full year, brokers said.

The Review and Woodhouse menswear businesses, which constituted the core of Amber Day's activity ahead of the What Everyone Wants acquisition, suffered [illegible] the recession, particularly in [illegible] south of England, and contributed only £400,000.

During the period Mr Gerald Weisfeld, [illegible] founded What Everyone Wants with his wife and built the 37 store group, resigned as chairman after a disagreement over the future direction of the company.

Mr and Mrs Weisfeld sold their combined 17 per cent [illegible] in [illegible] Day in February and severed all links including non-executive [illegible].

The group planned [illegible] tinue its acquisition of cheap leaseholds mainly from receiv[illegible], its brokers said. This was unlikely to have a large impact on cash flow as the company never paid more than "peanuts" for its leases.

It would confine its acquisitions to the north of England and to Scotland, where it could control growth, and was unlikely [illegible] spread south of Warwickshire.

MEPC lets property in City

By Vanessa Houlder, Property Correspondent

THE FIRST large property letting in the City of London this year has been achieved by MEPC, the property developer and investor, which has pre-let its 125,000 sq ft office development at Finsbury Circus to the Bank of Toyko.

Another big letting deal has been announced by Markheath Securities, which has pre-let 140,000 sq ft of offices in Brentford, West London to SmithKline Beecham, the healthcare group, for an annual rent of about £3.7m.

The weakness of the London property market was reflected in MEPC's agreement to take on the Bank of Toyko's existing lease of 80,000 sq ft in Northgate House in Moorgate. However, Knight Frank & Rutley, the letting agents, said that the terms of the deal should be an encouragement to the market.

The rent, which was undisclosed, was [illegible] to reflect the high quali[illegible] development. [illegible] originally quoting rents early last [illegible] of [illegible] £60 per square foot.

[illegible] Bank [illegible] Toyko will [illegible] the building [illegible] spring. [illegible] will sub-let the top two floors of the building, which total 25,600 sq ft.

Quarry side pushes Alex Russell past £3m mark

By Steven Watkins

BUOYANT demand for quarry products lifted pre-tax profits at Alexander Russell to £3.06m for the year 1990, from the £2.11m of the previous nine months.

The latest profits included an exceptional gain of £1.06m from land sales.

Below the line there was an extraordinary charge of £1.14m for the running down of US and UK coal operations and premature closure of a UK coal site.

Turnover for the year was £36.76m (£32.67m), with a record £18m from quarrying sales, up 15 per cent, but a 10 per cent decline in concrete products.

From fully diluted earnings per share of 7.76p (4.38p) the final dividend is 1.15p for a total of 2.15p (1.61p for nine months).

Mr Russell Nicolson, chairman, forecast increased profits as the costly retrenchment of coal operations neared completion and the group expanded its more profitable quarrying and roof-tile manufacturing activities.

Guinness to build I£60m Gleneagles leisure centre

By Kieran Cooke in Dublin

THE GLENEAGLES Group, part of the Guinness conglomerate, is to invest more than I£60m, or £53.6m sterling, in a leisure complex in the Republic of Ireland.

The complex – to be built on an estate demesne at Maynooth, 15 miles from Dublin – will be modelled on the Gleneagles Hotel in Perthshire and will include two 18-hole championship golf courses, a 200-room hotel, 119 "golf villas" and 29 "corporate lodges".

The Gleneagles Group plans to operate 10 similar establishments worldwide. Several projects are at present underway in Ireland to develop so-called executive leisure [illegible].

Later this year Straffan House, an international [illegible]ence centre and country club developed by a consortium headed by Mr Michael Smurfit, of the paper [illegible] packaging group, will open near Dublin.

International Conference Resort, a private US group, is planning to build an I£40m conference centre near Shannon in the south-west of Ireland.

NEWS DIGEST

Asda Prop declines to £1.4m

LOWER HOUSE prices, high interest rates and a lack of new trading opportunities in 1990 depressed pre-tax profits at Asda Property Holdings – they fell from £5.25m to £1.4m in the year to December 31.

Mr Manny Davidson, chairman, said that in his 40 years in the property business, he had not witnessed a more severe downturn than that which happened in 1990. Consequently he said he was pleased with the 39 per cent growth in net rental income to £10.2m and the "resilient" sales from the residential portfolio totalling some £14.5m.

Trading [illegible] were only [illegible] to £15.21m (£16.62m) while an exceptional charge debited £812,000, for rationalisation [illegible] write-downs, and interest took £13.81m (£11.37m). Earnings per share worked out at 2p (5.2p) and the final dividend is lifted to a proposed 1.25 (1.15p) for a total [illegible] 1.85p (1.75p). The fully [illegible] asset value at the year-end was 144p (197p).

Lower interest lifts S Lyles to £316,000

Substantially lower interest charges [illegible] S Lyles, the yarn spinner and dyer, to increase pre-tax profit from £301,000 to £316,000 in the half-year ended December 31 1990.

Turnover fell from £9.82m to £8.58m, a reflection of both the volume of business and lower commodity prices, said Mr John Lyles, the chairman.

The quality of business, however, remained high, he said, and "we now sense there is a feeling of gradual recovery in the air".

Earnings per share in the half-year came to 2.64p (2.51p) and the interim dividend is again 1.5p.

The company is seeking authority to purchase its ordinary shares, and repay the preference shares at par. An extraordinary general meeting has been called for May 13.

Southern Water in £55m loan facility

Southern Water has arranged a £55m loan facility with the European Investment Bank, the second and final tranche of a £95m funding programme agreed in September last year.

The 15-year facility will be used to finance Southern's capital expenditure programme, which currently absorbs around £3m a week. Many of the projects being funded are required under UK and European Community legislation.

The interest rate will not be fixed until the funds are drawn down by Southern. The company pays a fixed 11 per cent interest on the initial £40m loan arranged last year.

In common with many other UK water companies, Southern has opted to finance capital expenditure through the EIB rather than borrow from the capital markets in it's own name.

Finlay Packaging £576,000 in red

As trading losses at [illegible]lympic Containers, its composite container subsidiary, rose from £176,000 [illegible] £844,000, Belfast-based Finlay Packaging fin[illegible] 1990 with a [illegible] of £576,000, compared to [illegible] profit of £270,000.

At the halfway mark the deficit was £300,000.

Reflecting [illegible] in the core activities, however, [illegible] directors are recommending a final dividend; it is 0.75p for a total of 1.5p, against 4p, from losses per share of 5.26p (earnings 2.02p).

Olympic is being run down for closure on May 3, in view of [illegible] losses and no possibility of [illegible]covery. A provision of [illegible],000 is being made against further losses and cost of closure; along with £120,000 costs arising from litigation against the vendors of Olympic, that makes up a £770,000 extraordinary provision.

Turnover for the year was £11.16m (£11.05m) of which [illegible] continuing activities accoun[illegible] (£2.57m).

Headlam profits halved to £458,000

[illegible] profits [illegible] Headlam Group, the Northampton-based [illegible] group which fought off an attempted management coup last April, were halved to £458,000 in the year to December 31, "a difficult trading period", according to Mr Colin Wyman, chairman.

Turnover rose to £23.25m (£22.87m), but heightened competition for business saw trading profits slip to £1.01m (£1.32m). Interest took £133,000 more at £391,000 and there was an exceptional charge of £158,000 (£130,000) relating to the reorganisation of Phipps-Faire, the textile and plastic materials distributor.

Earnings were down at 2.9p (6p) but the proposed final is maintained at 1.65p for an unchanged total of 2.4p. Group borrowings were reduced to £2.09m (£2.47m), in spite of the £210,000 extraordinary costs of the extraordinary general meeting and the abortive acquisition of Cadogan Oakley.

Sunset [illegible] Vine posts a 25% reduction

[illegible], [illegible] independent television production company involved in sponsored sports programmes, reported a 25 per cent fall in pre-tax profits from £330,000 to £246,000 in the six months to end-[illegible]

Turnover in the period was up 46 per cent to £1.88m (£1.29m) but the outcome was affected by an increase in the [illegible] £1.25m (£768,000) and greater administrative expenses of £497,000 (£335,000). There was also a decline in interest receivable to £108,000 (£145,000).

The group moved up to the main market from the USM in September, and an extraordinary charge of £77,000 (nil) represents the expenses incurred.

The interim dividend is unchanged at 1.5p and comes from earnings per share of 3p (4.3p).

French Connection returns to the black

French Connection, the USM-quoted fashion manufacturer and retailer, returned to pre-tax profit in the second half of 1990-91, making £277,000, and expects further improvement in the current year.

Together with the first half loss, the group is left with a profit of £57,000 for the year ended January 31, against the previous deficit of £4.67m.

Net interest charges were cut by £1m to £1.24m as bank borrowings fell from £6.1m to £4.6m by the year-end.

Earnings were 1.4p per share (losses 29.7p). The dividend is again 2.7p with a recommended final of 1.8p. The cost is £95,000 (£96,000) after directors' waivers totalling £334,000.

Turnover for the year rose to £56.68m (£53.81m). That generated an operating profit of £1.3m (loss £4.19m), struck after losses of £410,000 (£1.16m) in the US and £710,000 (£50,000) in France.

Fuchs has over 30% of Century Oils

Fuchs, the family-controlled German lubricants group, said that it held more than 30 [illegible] cent of Century Oils, the [illegible] lubricants company, following its increased offer of 145p last We[illegible] and had launched a full bid under takeover rules.

[illegible] improved [illegible] from 110p, [illegible] owned 13.4 per cent [illegible] Century's shares and bought an additional 7 per cent in the market as soon as it incre[illegible] its [illegible].

All other conditions of the offer have been waived.

£211,000 for Venturi in its first year

In its first set of annual results, Venturi Investment Trust made £211,170 after tax in the year to March 31. This represents earnings per share of 3.52p.

As forecast in the prospectus of March 1990 the proposed final dividend is 1.7475p to make a total of 3.06p.

The net asset value of the capital indexed shares at the year-end was 245.65p, up some 11 per cent; of the income shares 25.46p (25p); and of the ordinary geared shares 9.88p undiluted and 8.93p diluted, 94 and 85 per cent ahead respectively.

Mr Simon Dawson Eccles, chairman, said: "Though never to the exclusion of current income requirements, we strive [illegible] the assets to at least match the market, as cumulative outperformance to date is there to enhance all future years' income flow and growth."

Citibank's UK arm to shut car loan side

Citibank Savings, the UK retail banking arm of Citicorp, is to shut its loss-making UK car loans operation with the loss of over 50 jobs.

The closure is the latest of a series of withdrawals by large lenders from the asset finance market. In January Bank of Ireland said that it was winding down British Credit Trust, its finance house subsidiary.

Mr Jack Davies, Managing Director Citibank Savings, said: "The auto finance business has been a marginal operation for us for a number of years and the losses experienced by a number of people in the credit industry was really what led to our decision to close it."

Mr Davies confirmed that the car loans operation had been losing money but denied claims that losses reached £12m last year.

At the same time Citibank Savings is beefing up other parts of its consumer finance operations, especially mortgage lending and home improvements. These activities will now make up a new division of Citibank Savings called Citibank Home Loans.

Midland in deal with Japanese card issuer

Midland Bank has signed an agreement with JCB, the Japanese charge card company, to handle its retail business in the UK.

The deal opens the way for JCB, the largest charge card company in Japan to increase its network of retailers from 10,000 to 50,000 by 1995.

At present JCB's UK business is almost entirely confined to the 500,000 Japanese tourists and business travellers who visit the UK each year. However, the company last year announced plans to become a card issuer in the US and UK, a move which will eventually bring it into direct competition with American Express and Diners Club.

One problem JCB faces in trying to expand its UK retail network is that many retailers hate the high commissions required by charge cards. American Express has an average commission of about 4 per cent, compared to about 1.6 per cent for Visa or MasterCard.

A new player in the market such as JCB would face higher costs and so probably have to ask retailers for a commission well above this. However, large retailers could decide that this was worth-paying in order to attract business from high-spending Japanese customers.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 18.04.91: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh
0030	16.12	16.68	16.68
0100	16.20	16.10	19.85
0130	16.33	16.62	20.55
0200	16.61	16.62	20.56
0230	23.42	16.34	16.34
0300	23.42	16.02	16.02
0330	23.42	15.66	15.66
0400	16.74	15.48	15.48
0430	16.25	15.34	15.34
0500	16.18	15.28	15.28
0530	16.16	15.48	15.48
0600	16.16	15.66	15.66
0630	16.20	16.34	16.34
0700	17.06	16.43	20.21
0730	20.66	16.99	20.79
0800	25.49	19.49	27.30
0830	28.28	21.34	23.20
0900	29.06	23.30	26.21
0930	27.03	23.49	25.40
1000	28.25	23.49	25.56
1030	26.73	23.49	26.39
1100	25.12	20.49	25.40
1130	23.40	23.30	25.16
1200	25.55	23.30	25.17
1230	25.01	23.30	25.16
1300	23.80	23.30	26.20
1330	22.55	20.66	22.47
1400	20.86	20.60	22.48
1430	20.35	19.54	21.34
1500	20.35	19.54	21.34
1530	20.35	19.54	21.33
[illegible]	20.39	19.34	21.33
[illegible]	23.57	20.27	22.06
[illegible]	23.61	21.00	22.79
[illegible]	23.57	21.37	23.18
[illegible]	23.46	21.37	23.17
[illegible]	20.23	24.07	28.46
[illegible]	19.92	24.57	28.44
[illegible]	19.92	24.57	28.45
[illegible]	19.92	21.37	23.16
[illegible]	23.43	19.49	21.26
[illegible]	23.43	19.49	21.26
[illegible]	23.43	19.49	21.26
[illegible]	23.43	19.49	21.26
[illegible]	19.92	16.64	20.29
[illegible]	19.64	16.64	20.30
[illegible]	16.25	16.20	16.20
[illegible]	16.18	15.50	15.53

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £[illegible]/MWh becomes 1.[illegible]p/KWh. Provis[illegible] for the determination of pool prices is [illegible] in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to [illegible] or correc[illegible] until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

UK COMPANY NEWS

Fall of £5.4m in defence division damages group performance
Hunting declines 20% to £38.5m

By Jane Fuller

HUNTING, the defence, aviation and oil company, saw its pre-tax figure fall by more than 20 per cent from £48.4m to £38.5m in the year to December [illegible].

Turnover grew by 3 per cent to £771.3m, helped by increased sales of crude oil in Canada.

The main [illegible] for the profits fall was the def[illegible] division where [illegible]ting profits slid by £5.4m to £15.7m. Mr Ken Miller, chief executive, [illegible] that this included [illegible]alisation costs as 500 jobs were cut and a plant closure provided for.

[illegible] be[illegible] had come from the [illegible] crisis – for instance through orders for bomb retarders. But the much publicised use of Hunting's JP233 airfield attack weapons had been drawn from the [illegible] [illegible], which were not significantly depleted. [illegible] expected, the JP233's contribution would fall back this year, Mr Miller said.

This would be partly offset by new contracts, such [illegible] managing the atomic weapons establishment at Aldermaston, and international collaborations.

In the non-defence areas, oil and technology declined [illegible] £10.6m (£12.7m), in spite of the increased turnover of £399m (£327m). Recession in the UK hit sales of specialised products, such as [illegible] Hammerite range.

Aviation was the only one of the three core divisions to improve, making £10.2m (£9.6m).

The disposal of non-core businesses depleted the profit from other activities, which fell to £1.1m (£5.2m). A couple of [illegible] and property valued at £20m remained to be sold. The write-down in the value [illegible] [illegible] for [illegible] accounted for most of [illegible] £9.7m [illegible]) extraordinary charge, said Mr Miller.

Also included were the trading results of sold or for sale businesses and the related interest paid. This left [illegible] [illegible] interest received in the ongoing businesses, notably from the defence division.

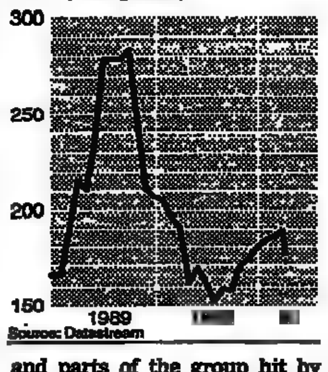
Fully diluted earnings per share were reduced to 23.5p (31.8p) and a recommended final dividend of 6p makes a total of 10p (9p). The retained profit dwindled to £500,000 (£13.4m).

● COMMENT

It will be nice to get a set of results from Hunting which are easy to compare with what has gone before. Last year's pre-tax profit, following the merger of three family-controlled companies, showed a 42 per cent increase, but on a pro forma basis. This time, figures that were above the line last year – including some interest paid – have been put below because of the disposal programme. The group's problem, however, remains the [illegible] will [illegible] and oil and technology make up for the decline in defence? If yes, then when? The problem becomes more acute this year with the JP233 falling away, disposals delayed and parts of the group hit by [illegible]. Compensating defence export orders remain a matter of optimism and a serious step-up in the non-defence businesses may not come until 1993. With pre-tax profit forecast to decline to £35m, a prospective p/e of 8, yesterday's closing price of 177p is supported by a yield of 7.5 per cent.

Hunting

Share price (pence)



Source: Datastream

Hawker wins significant work for new Boeing

By Charles Leadbeater, Industrial Editor

HAWKER SIDDELEY, the diversified engineering group, has become the second British company to win a significant order to manufacture components for the Boeing 777 wide bodied aircraft.

HS will today announce it has won an order worth about £90m to manufacture flaps for the tail section for the 777, which is due to come into service from 1995.

This follows the announcement last [illegible] that Smiths Industries, the aerospace and medical equipment group, had won orders worth about £337m for computer systems [illegible] manage the plane's fuel and electrical power systems.

The Boeing 777 is becoming an increasingly important project for aerospace component makers, as they seek to respond to the decline in military spending on aircraft.

The 777 [illegible] a twin engined, wide bodied plane, [illegible] is [illegible] only major new civil aerospace project under development.

The Boeing order comes as HS is beset by rumours that it may become a candidate for a take over bid from either BTR or Hanson, the industrial conglomerates. HS last month reported a 30 per cent fall in pre-tax profits after exceptional items.

The elevator flaps will be manufactured by HS's Australian aerospace subsidiary, Hawker de Havilland, which is a long standing supplier of wing flaps to Boeing.

It will be closely involved in the design and development of the flaps, which will be made from advanced carbon fibre composite materials.

It is an indication of the size of the Boeing 777 that the [illegible] metre tail flaps will be [illegible] large as flaps for the main wing sections of smaller Boeing 737.

The deal is an important boost for the HS aerospace division, which last year increased profits by 20 per cent to £22m, on a 10 per cent increase in turnover to £297m, about 14 per cent of the HS group sales.

Brent Walker shares rise 8p on confirmation of Power deal

By Maggie Urry

BRENT WALKER, the heavily-indebted leisure group, yesterday announced the appointment of a new group managing director and confirmed the proposed swap of its stake in the Trocadero leisure development in London's Piccadilly Circus.

Brent Walker's shares rose 8p to 71p. However, Brent Walker has yet to detail how the deal will affect its balance sheet. It is likely to result in a substantial reduction in the group's net assets, perhaps by [illegible], and will not of itself reduce debt, although it will remove potential [illegible] involved in developing the Tro[illegible]ro [illegible].

The new managing director is Mr Nicholas Ward, who is 49 and has a reputation for being tough and competent, but has [illegible] involved in boardroom rows in the past. His appointment is the final part of the board's reconstruction following the standstill agreement reached between the group and its banks last autumn.

Mr Ward was previously chairman and chief executive [illegible] Macarthy, the pharmaceutical manufacturer and [illegible], but resigned in July 1989 after a boardroom dispute. He is still pursuing Macarthy for compensation, although last August it paid him £140,000 net of tax as an interim payment.

Brent Walker and Power Corporation, the Republic of Ireland-based property developer, have signed a conditional agreement untying [illegible] two [illegible]' 50-50 ownership of three properties. The deal will swap Brent Walker's half-shares in the Trocadero and the Tower Shopping Centre in Blackpool, for the half-share Power owns in the Island site, a 1.3-acre site next to the Trocadero. The Island [illegible] thought [illegible] worth [illegible] £70m, but Brent Walker will take about £60m of debt with it.

Mr Robin Power, chairman and chief executive [illegible] Power Corporation, [illegible] he hoped to finalise the deal by the end of this week or early next. However, Brent Walker's banks have to give consent to the deal, and yesterday were awaiting more detailed information on it. They may take longer to study it.

Analysts suggested [illegible] Power Corporation appeared to [illegible] better part of the deal, since the Trocadero – which should [illegible] producing annual rents of £16m by the end of this year once [illegible]pleted – and Blackpool properties are potentially more valuable than the Island site.

However Brent Walker has a more urgent need for cash than Power, [illegible] the Island [illegible], which covers about [illegible] properties, can be more readily sold.

It [illegible] demonstrate [illegible] its banks, with which it is discussing a £1.4bn refinancing, that it can make disposals which [illegible]uld more than meet a promise to raise £50m through asset sales by the end of 1991.

Mr Power said the deal would remove a conflict of interest between the two parties, as Brent Walker had been keen to sell the development or properties within it while Power was prepared to hold out for higher prices later on.

He said the deal "suits us and it suits their present position".

Power Corporation plans [illegible] keep the 50 per cent stake in the joint venture it is taking from Brent Walker distinct so that it could bring in another partner later.

Allied Leisure calling for further £16m

By Clare Pearson

ALLIED LEISURE, the ten pin bowling and night club operator, yesterday launched a £16.13m net rights issue, its second such call in less than a year and one which will double the capital.

Its one-for-one issue of 17.5m shares is pitched [illegible] 97p, an 11 per cent discount to yesterday's opening price. The shares slipped 5p to close at 104p after the announcement.

Mr [illegible]uncan Moss, finance director, said although the issue was following quite swiftly on last year's £4m call, Allied would now be able to go on expanding without recourse to shareholders for more cash.

The company is forecasting a final dividend of not less than [illegible] that would make 4.75p for the year ending July 16 1991, a 22 per cent increase over the previous 3.9p. There is no profit estimate.

Yesterday, [illegible] company warned that "trading and economic conditions caused concern during January and February", but March had shown a significant improvement. Results for the full year would be "satisfactory" following the advance of 73 per cent to £1.63m at halfway.

Allied also revealed it was applying to transfer from the USM to the official list on May [illegible].

Mr Moss said it was intended to [illegible] [illegible] new developments in the next financial [illegible], which would [illegible] in aggregate nearly £13m. These were a MegaBowl ten pin bowling centre in Preston, a night club in Basingstoke and a bowling, night club and theme bar development in Dundee.

During [illegible] current [illegible] Allied had spent about £15.4m on [illegible] [illegible] developments. Sale of its 20 Wimpy [illegible]rants in January last year helped to fund that.

Following the rights issue [illegible] borrowings will fall to [illegible] £6.7m, or [illegible] per [illegible] of shareholders' funds. Mr Moss said the policy was that that gearing should not rise above 55 per cent from now on.

Directors, who currently speak for 30 per cent of the capital, will not be taking up their rights.

Cookson cuts borrowings by another £[illegible]m

By Clive Cookson

Cookson, the industrial materials group, has announced a co-ordinated series of acquisitions and disposals affecting its bus[illegible] supplying the European [illegible] industry.

Net proceeds from the four deals will be £18m.

The announcement follows the group's successful £82.8m rights issue, which it [illegible] on Friday was 96 per cent taken up by shareholders. The combined effect of the rights and the [illegible] deals will be to reduce [illegible]kson's net borrowings from £330m to £230m.

Gearing, which was above 100 per cent when the group [illegible] a crisis of confidence last autumn, will fall to 35 per cent.

Most important of the deals is the £23.7m sale of Cookson Plibrico International to ILVA, the Italian state-owned steel group. Plibrico makes furnace linings for steelworks and made operating profits of £2.9m last year.

The other deals, which are worth less than £5m each, include the acquisition by Cookson of Meta[illegible] a private Swiss company [illegible] designs slide gates for steel casting, and two acquisitions by Vesuvius Italia, an existing joint venture of ILVA and Cookson.

BOARD MEETINGS

The follo[illegible] of board [illegible] the [illegible] Exchange. Such [illegible] usually h[illegible] for the purpose of considering dividends. [illegible] indications are not available as to whether the dividends are interims or finals and the subdivisions [illegible] below are based mainly on last year's timetable.

TODAY

Interim- River & Mercantile Extra Income Trust.

Finals- Castle Mill Intl., Danish House, [illegible], [illegible] Oro Mining & Expl. [illegible] Co., Horizons, LIT, Martin (Albert) [illegible]

FUTURE DATES

Interims-	
Compass	May 21
Molyneux [illegible]	Apr. 16
Finals-	
First Ireland Inv.	May 8
French Connection	[illegible]
Helical Bar	Apr. 16
Hunsleigh Tech.	May 1
Moss Bros	Apr. 23
Save & Prosper Linked Inv.	Apr. 29
Starmin	May 1
Tie Rack	Apr. 18
Travis Perkins	Apr. 22

DIVIDENDS ANNOUNCED

		Current [illegible]	Date of payment	Corresponding dividend	Total for year	Total last year
Amber Day	int	0.9†	July 15	0.7	-	2
Asda Property	fin	1.25	July 1	1.15	1.85	1.75
Finlay Pkg	fin	0.75	June 12	3.25	1.5	[illegible]
French Connect §	fin	1.8	July 1	1.8	2.7	2.7
Headlam	fin	1.65	June 3	1.65	2.4	2.4
Hunting	fin	6	July 3	[illegible]	10	9
Lyles (S)	int	1.5	June 3	[illegible]	-	4.05
Morgan Crucible	fin	6.75	July 1	[illegible]	12.4†	[illegible]
Rea Brothers	fin	[illegible]	May 30	0.25	0.5	0.5
Russell (Alex)	fin	[illegible]	May 31	1.07	2.15	1.61‡
[illegible] & Vine	int	[illegible]	May 31	1.5	-	3.5
Turriff Corpn	fin	nil	-	10.75	4.25	[illegible]
Venturi IT	fin	[illegible]	May 31	-	3.06	-

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ‡For [illegible] months.

Ron Brierley in GPG restructuring package

By Roland Rudd

SIR RON Brierley, [illegible] Zealand entrepreneur, is to take over the running of GPG, [illegible] British [illegible] company, in a restructuring deal announced yesterday.

Brierley Investments (BIL), which recently distanced itself from [illegible] founder, intends [illegible] reduce its shareholding in GPG from 63 per cent to 40 per [illegible] by selling 74m shares at 15p each to Australasian investors.

Sir Ron will buy 3 per cent of GPG from his former investment [illegible] same price.

He was founder president [illegible] BIL, the New Zealand-based international investment con[illegible] he [illegible] and chaired until last month.

All ordinary shareholders will be given 10p per share, and 86 per cent of the par value of £726,000 of preference shares will be repaid plus the accrued dividends of 6.3 per cent – the preference dividend has been passed three times.

The shares of GPG, one wing of the former Guinness Peat Group, were suspended in December [illegible] sale of Management Compensa[illegible] Group.

That left GPG as a shell company, the reason for its suspension, with about £65m in [illegible] and net-assets of 22p a share.

Three BIL investments which Sir Ron has been personally involved with are to be sold [illegible] GPG for [illegible]. The major holdings are 29.86 per cent of Stanley Gibbons Holdings, 14.99 per cent of Villa D'Este [illegible] cent of Allgas Energy.

The restructuring package, which was negotiated by the GPG [illegible] with [illegible] parent company, Industrial Equity (Pacific) and the holding company BIL, will be put to share[illegible] at an extraordinary general meeting on May 13.

Sir Ron hopes the International [illegible] Exchange will restore GPG's listing once it has secured its independence from BIL, widened its shareholder base and [illegible].

OFT [illegible]xtension for Coats bid

The Director General of Fair Trading has extended its period of consideration of the proposed acquisition by Coats Viyella, of Tootal, the textile group, before deciding whether to refer the deal to the Monopolies and Mergers Commission.

The OFT extended the period by 15 days to [illegible] 10.

Tootal has re[illegible]ted [illegible] the £194m offer, saying there was no "compelling logic" and claiming that Coats was trying to buy Tootal on the cheap.

Turriff plans reorganisation after fall to loss of £933,000

By Andrew Taylor, Construction Correspondent

TURRIFF CORPORATION, the troubled UK construction and plant hire group, is to reorganise its business following a pre-tax loss of £933,000 in the year to end-December.

The company's share price rose from [illegible] to 82p following the announcement.

The group, as it warned in February, is not paying a final dividend (10.75p), leaving a total of 4.25p (15p) for the year. In 1989 Turriff made a pre-tax profit of [illegible].

Mr Astley Whittall, chairman, said that he would be disappointed if the group did not pay at least a final dividend in the current year.

He said the group would be pulling out of housebuilding as part of the reorganisation. Turriff has alrea[illegible] withdrawn from its informa[illegible]ion and marketing servi[illegible] and has sold the [illegible] Employm[illegible] Agency.

The sal[illegible] of the agency, which had been bought only a year ago and had contributed well since, had been essential to reduce the group's debt, Mr Whittall maintained.

Following [illegible] reorganisation, [illegible] group would be left with two core bus[illegible] – contracting and plant hire.

At the end of April Turriff's borrowings were £9.01m, compared with shareholders' funds [illegible] just £8.84m.

In addition, the group was responsible for £4.26m of off-balance [illegible] borrowings [illegible] joint-venture property companies.

Mr Whittall said that the group aimed to have reduced its balance sheet debt from just over 100 per cent of shareholders' funds to about 50 per cent by the end of this year.

He said that in the autumn Turriff expected [illegible] receive a refund of £2m, [illegible]presenting surplus on the group's pension fund.

This would be used to reduce borrowings.

The [illegible] [illegible] in 1990 included provisions [illegible] £2.08m, of which £1.65m was to cover possible losses against eight of [illegible] group's 15 joint-venture property developments.

[illegible] further [illegible] of provisions were made against the group's housing operations to cover potential lia[illegible] on equity-sharing deals.

Mr Whittall said that last year the group had sold 65 homes. This left only 53 more houses to sell before it closed the housebuilding operation.

Were it [illegible] for the provisions, the construction division would have broken even.

However, reflecting problems in the construction market, plant hire profits fell to £899,000 (£3.15m).

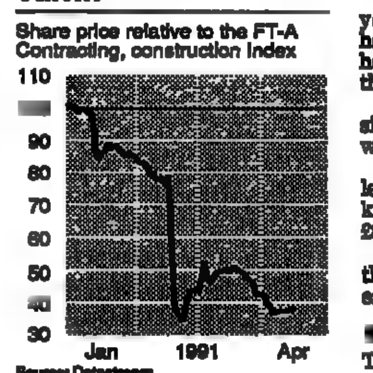
Losses per share worked through at 5.1p, compared with earnings of 53.6p.

● COMMENT

Turriff's shares recovered 14p on the grounds that shareholders now know the worst and that the company appears to have a strategy to reduce its high gearing. However debt reduction is heavily dependent on a windfall pension refund. Gearing will remain high if off-balance sheet loans and hire purchase agreements are included as debt. The UK construction market is likely to remain difficult for the rest of this [illegible] which will inhibit contracting and plant hire profits. [illegible] the longer term, the prospects look dull. Contracting [illegible] plant hire produce good cash flow, which the group needs at present, but are low-margin businesses. [illegible] has moved closer to security and profits this year may recover to £1m-£1.5m, but the shares are hardly a buy at this point.

Turriff

Share price relative to the FT-A Contracting, construction index



Source: Datastream

Pension fund surplus helps Rea Brothers to £1.6m

By Richard Waters

REA BROTHERS, the small merchant banking group, reported pre-tax profits almost unchanged at £1.6m for 1990, after realising a pension fund surplus of £945,000.

The result (compared to £1.55m for 1989) was struck after a £480,000 provision [illegible] property-related bad loans.

Mr Roger Parsons, managing director, said [illegible] [illegible] figures would be the last to be affected by the reorganisation [illegible]hich had affected the group in the past three years.

The pension fund surplus was realised after the group's final salary [illegible] was wound up and replaced by individual money purchase schemes. The previous scheme had become uneconomical to run following the substantial slimming [illegible] staff, Mr Parsons said.

The private banking and trust business in Guernsey generated all of the group's [illegible] during the year, more than making up for a trading loss in London.

Gross fee income, at £4m (£3.4m), again contributed some 40 per cent of total income, with net [illegible] income making up the balance.

Earnings per share came out [illegible] 3p (2.97p) and a recommended final dividend of 0.25p makes an unchanged total for the year of 0.5p.

[illegible] group is still looking for a substantial increase in its funds under management, which currently stand at something over £100m.

EFG [illegible] meeting date

EFG has set May 9 as the date for [illegible] extraordinary general meeting called by dissenting shareholders who object to the group's divestment from the forestry management business, writes Steven Watkins.

The agenda for the EGM includes motions calling for the removal of Mr Alan Joynes, chief executive, and the declaration of a dividend.

Cazenove, EFG's advisers, said the dissenting sharehold[illegible] [illegible] by Mr Michael Chambers, who controls 6 per cent of the company's stock, personally and through his company New Forest Holdings. It is believed that Mr Chambers' supporters account for another 4 per cent of EFG's stock.

Mr Joynes said the EGM motions cover the same ground as was considered at the AGM.

The loneliness of the long-distance sponsor

Norma Cohen explains how ADT could have to foot the £1.7m bill for a City school

DIFFICULTIES in finding other backers for a planned City Technology College mean that ADT, the Bermuda-based car auctions and security group, may spend up to £1.7m on the project.

ADT, which is being sued in the US by Laidlaw, a Canadian transport services group that is its largest shareholder, is by far the largest corporate sponsor of a City Technology College.

Mr Kenneth Baker, formerly education secretary, planned 20 of these high-technology secondary schools for urban areas, to be "mostly" financed by private industry.

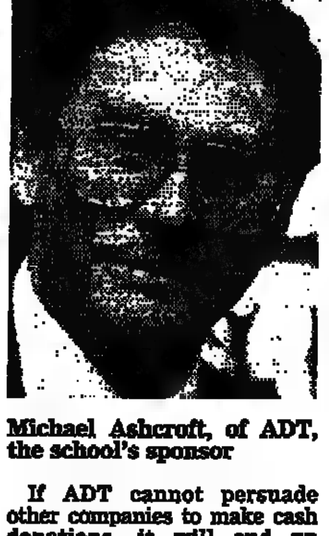
Few corporate donors have been found, however. Most lead sponsors of the 12 CTCs due to be operating by this September are wealthy individuals or charitable organisations, rather than businesses.

ADT College, based in the London borough of Wandsworth, is the only one to bear a corporate sponsor's name. Its pupils will wear uniforms with the ADT logo.

The company provided the initial £1m contribution required of all lead sponsors. It has also agreed to provide £150,000 of operating funds each year for the life of the school, according to Mr Richard Painter, an ADT official who is chief executive of the school.

Mr Painter said that, in addition, ADT has agreed to underwrite the remaining £700,000 cash needed to bring private sponsorship u[illegible] to the £2.2m, or 20 per cent, of capital costs required by the Department of Education and Science.

The department allows up to £500,000 of contributions in kind to be counted towards the £2.2m figure. [illegible] far, donors have provided £250,000 in contributions of equipment.



Michael Ashcroft, of ADT, the school's sponsor

If ADT cannot persuade other companies to make cash donations, it will end up investing £1.7m in the project's start-up costs.

Mr Painter said education department officials warned ADT in January that government funds to complete construction would not be forthcoming unless the company guaranteed [illegible] remaining private-sector contributions.

Such guarantees have been required of all lead sponsors for the past year. All except ADT, however, have been able to [illegible] enough cash from other sponsors to avoid the need to call on the guarantee.

By last week, ADT had been unable to raise any cash contributions from other sponsors.

ADT College is based on a three-building [illegible] formerly occupied by a comprehensive school. It will admit its first 300 pupils this autumn. Enrolment will gradually rise to 1,200.

The school is to be furnished with the latest computer technology, and language laboratories. Applications for the first year have outstripped places by five to one.

Mr Painter says ADT is sponsoring the college because "We think there is a need to support education". He says the company was approached by Sir Cyril Taylor, chairman of the charitable CTC Trust and the government's chief adviser on CTCs.

Mr Painter says that ADT College apart, the company's only educational programme has been a £60,000 donation to the Grant Maintained Schools Trust, a body that encourages schools to opt out of local authority control.

Mr Michael Ashcroft, ADT's chairman, is chairman of the trust which runs the school. Mr Ashcroft lives in Florida.

Mr Painter said that when the school's board held one of its obligatory meetings last December, the venue was somewhere in Europe.

COMMODITIES AND AGRICULTURE

Row as LME fails to act over squeeze on zinc

By Kenneth Gooding, Mining Correspondent

A ROW blew up yesterday about the apparent inaction of the London Metal Exchange's executive committee in the face of a technical squeeze on the zinc market. The backwardation – premium for cash metal over forward [illegible] – soared to $217 a tonne.

Traders said that during the late afternoon $60 a tonne was being paid to borrow zinc for one day but this eventually fell back to $20.

When a similar situation arose on the exchange in December, 1989, the LME executive [illegible] a limit of $20 a tonne on the daily backwardation and questions were being asked last night about why it had not acted this time.

Traders [illegible] sellschaft, the German group, was playing a key role but its LME ring dealing subsidiary insisted there was no concerted action either by MG or its many customers to squeeze the market.

Some of its associates had turned to the LME to cover [illegible] contracts which they might have difficulty filling because of technical difficulties. For example, in [illegible] Cominco's Trail [illegible] refinery was not performing properly yet; in Australia floods in Queensland had delayed shipments by MIM; and in Germany the Berzelius refinery was to close sooner than expected for a refit.

An MG [illegible] said that it had not [illegible] "to draw blood" from the shorts – [illegible] who had sold zinc they did not own and were now attempting [illegible] their positions – and its customers had all agreed to back MG's efforts to ensure that the LME zinc market remained liquid.

The LME executive had been kept fully informed. He hoped that the shorts also had good reasons for their position. "But our clients are zinc miners, smelters, refiners and dealers and I have no sympathy for anyone who deliberately sells zinc they do not own to push the price down just because a trend line on a chart crosses a particular point."

Traders said the main victim of the squeeze was an investment fund and that the squeeze was likely to be over by the end of April.

Meanwhile, the large backwardation is drawing huge quantities of zinc into LME warehouses and [illegible] are expecting an extra 10,000 to 15,000 tonnes to show up in today's stock figures.

Mr Robin Bhar, analyst at Carr Kitcatt & Aitken, said there was no fundamental reason for zinc prices to rise. "There are ample stocks of the metal," he said.

The LME executive failed to respond to a request for comment last night after zinc for immediate delivery closed $107.5 a tonne up at $1,430 while metal for delivery in three months rose by $6.50 a tonne to $1,213.50.

Soaring gas sales show flaws in Norway's strategy

Karen Fossli discovers the lack of a co-ordinated exports drive is creating avoidable difficulties

NORWAY'S lack of a national gas export strategy in the face of spiralling demand is creating unnecessary difficulties.

The country is one of Europe's main suppliers of gas and has North Sea reserves of two trillion cubic metres.

The existing organisation for exporting gas is Gassforhandlingsutvalg - the Gas Negotiating Committee. This is under threat and the industry fears that negotiations could become a fragmented [illegible] among companies which own gas fields.

European gas demand is set to increase mainly because of increasing [illegible] difficulties [illegible] supply, and virtually no chance of increasing it, and because of the "green" trend in Europe where gas is considered a more environmentally friendly replacement for oil and coal in power generation.

Under the giant Troll/Sleipner gas sales [illegible] signed in 1986 with a consortium of European buyers 30.51bn cubic metres of gas is committed under contract. However, the Sleipner East and Troll fields together have reserves of just 26.5bn cubic metres. To fill the 4.01bn cubic metre shortfall, the licences in the Troll field, operated by Statoil, the Norwegian [illegible] oil company, have agreed to sell an additional 3.7bcm from two other fields – Veslefrikk and Brage – on behalf of [illegible] field's [illegible] tive owners.

For this service, the Troll field owners will charge the owners of Veslefrikk and Brage a handling fee of five oere – there is 10 oere in each Norwegian krone – per cubic metre of gas. This agreement forms the basis of what is known in industry circles as the "Troll Commercial Model" which may mark the end of Gasforhandlingsutvalg – the Gas Negotiating Committee. The committee comprised Statoil, Norsk Hydro and Saga Petroleum and was established five years ago to sell gas for Norway. This is a [illegible] issue for it has always been held that the three Norwegian companies were best placed to protect sovereign interest in the country's international gas trade.

> Later this year an engineering study will start and last for about one year. A decision on whether to develop Shtokmanovskoye is to be taken next year.
>
> The field is situated about 600 kilometres north-east of Murmansk in 300 metres of water and is said to be one of the world's biggest offshore gas fields.

Also, the buyers of Troll gas have additional purchase options contained within the sales agreement which could boost their total supply requirement to 40.82bcm. However, before the European gas buyers will exercise these purchase options, Norway must provide a guarantee that it can meet this demand.

In order to provide this guarantee the owners of the Troll field [illegible] four sources of Norwegian gas which they could sell on behalf of these fields' owners as part of the Troll deal.

This would allow the Troll field to underwrite future gas sales – a requirement of the buyers. However, the owners of these fields would also be obliged to pay Troll owners a five oere per cubic metre handling fee. The four fields being considered by Troll's owners include the Midgard gas/condensate field, operated by Saga Petroleum and located in the Norwegian Sea.

The Sleipner West field is also under considation. However, two other fields being considered – Oseberg and Troll phase two – are both operated by Norsk Hydro, which may not want to offer this gas to Troll field owners to sell under the Troll agreement.

Instead, Norsk Hydro may want to negotiate its own sales with the hope of securing contracts in Britain. Norwegian energy authorities, pondering over a national gas export strategy, have also yet to decide whether all gas field owners should be allowed to negotiate sales contracts on their own behalf, or whether this should be done under the Troll Commercial Model.

The difficulty of gas transport capacity has been solved by the recent decision to build a third export line from Norway to Europe. That would lift export capacity to about 30bcm, although it could be doubled by adding compressors. Owners in Britain's North Sea J-block field, however, have asked Norway to assist them in transporting gas to Germany by allowing them to tie a spur line into Norway's Norpipe line which runs to Emden in Germany.

Britain seems prepared to allow new Norwegian imports into the UK if Norway complies. However, if Norway allows J-block gas to be transported through Norpipe it would interfere with the country's flexibility to negotiate new gas sales contracts with new buyers such as East European countries which have expressed interest in Norwegian gas.

Italy, which does not currently buy Norwegian gas, says it wants to purchase 5bcm annually from 1996. In order to maximise transport capacity in pipelines, Norway is considering exporting gas from Snoehvit, a field off northern Norway, to Italy in the form of liquified natural gas (LNG).

TROLL PLATEAU VOLUMES SOLD IN BILLION CUBIC METRES

Customers	Under Contract	30 per cent option	50 per cent option
Germany	13.37	14.66	18.98
France	8.00	8.00	8.00
Netherlands	[illegible]	4.57	[illegible]
Belgium	2.00	2.60	[illegible]
Spain	2.11	2.11	2.11
Austria	1.06	1.06	1.59
Total	30.51	33.00	40.82

India fears export fall in diamonds

By R.C. Murthy in Bombay

A STEEP fall in India's exports of cut and polished diamonds is feared next month after a disruption in imports of "rough" diamonds, on which the exporters depend.

The fall is expected to follow the 50 per cent cash deposit put on letters of credit for raw diamond imports three weeks ago by the Reserve Bank of India, the country's central bank, as part of a package to delay imports and ease pressure on foreign exchange reserves.

The supply of raw diamonds will last untill May when exporters fear operations will stop if the levy is not repealed. Mr Kaushik Mehta, chairman of the gem and jewellery export promotion council, says two hundred thousand will lose their jobs. Mr Mehta objects to the 50 per cent cash margin payment because diamond traders operate on volumes and thin profit margins.

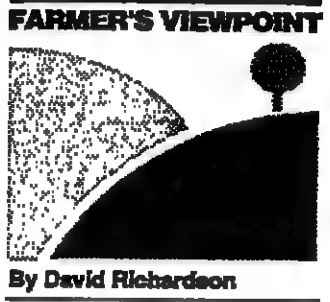
This is the second crisis in the diamond businesses in a year. Finished diamond exports fell by a fifth in April to June last year following a dip in the US offtake and a shift in demand to large diamonds from small ones, in which India specialises.

India's exports of finished diamonds and jewellery in the year to March 1991 dropped by [illegible] per cent to Rs53.1bn (£1.58bn).

Tenant farmers fear return to Dark Ages

Proposals by John Gummer to deregulate the farm tenancy law will limit protection

FARMER'S VIEWPOINT



By David Richardson

IF PROPOSALS put forward by Mr John Gummer, the Minister of Agriculture, become law, relationships between landowners and tenant farmers will be back in the Dark Ages.

So say some elderly tenants who remember the days before the Second World War. They speak of ruthless landlords who, in the absence of laws providing security of tenure, evicted a tenant on a whim. They tell of tenants who allowed the fertility of their land to deteriorate and buildings to fall down because they had no guarantee of how long their tenure would last, nor of compensation for improvements they might make to the landowner's property.

The Agriculture Act of 1947, sponsored by Labour Agriculture Minister Tom Williams, changed that. As well as setting up a system of guaranteed prices for farm commodities, it gave tenants security of tenure for their lifetime, always provided, of course, that they paid their rents regularly and were not guilty of some gross breach of the tenancy agreement. Also, it established a framework of law to guide both parties to such agreements and through which disputes between landlords and tenants could be resolved.

In 1976 another Labour government introduced legislation for England and Wales which provided security of tenure for three generations of farming families on the same land, which had been the case in Scotland for some years. However, while the measure may have been intended to help tenant farmers, it had the opposite effect.

Landowners, who had already shown reluctance to let farms for one tenant's lifetime, refused point blank to lose control of their land for three generations, and the trickle of farms available to let dried up completely. The Agricultural Holdings Act of 1986, introduced by the Conservatives, cancelled three-generation succession and reverted to security of tenure for one [illegible] on new tenancies. However, it made little subsequent difference to the availability of farms to let. Landowners, with the help of their agents, had by then found ways to circumvent the law and were enjoying the freedom it afforded them.

Many took their land in hand and farmed it themselves with [illegible] from [illegible]. Others turned over their farms to professional management companies set up for the purpose, which ran them either on contract, in partnership, or according to some form of share farming agreement.

In all cases, the arrangements avoided setting up legal tenancies and enabled the landowner to regain control of his land within a relatively short and predetermined period, thereby preserving the so-called "vacant possession premium". This is the difference in value at auction between let land and land in hand, and varies these days between 33 per cent and 50 per cent in favour of land in hand.

Obviously few landowners would voluntarily forgo such an advantage, even if they had no immediate intention of selling. Almost all tenanted farms that have changed hands in recent years have done so according to one or other of the non-tenancy routes.

Meanwhile, with the growth in owner-occupation of land and the associated decline in the let sector – from 90 per cent in 1910 the number of tenanted farms has shrunk to 36 per cent today – young farmers with limited capital wishing to make a start in the industry have for several years now experienced great difficulty in finding farms to rent.

That, presumably, was the motivation behind John Gummer's proposals, announced two months ago to deregulate farm tenancy law. Also, the NFU has failed to come up with a workable way to reform the present rules, which are observed more in their avoidance than their compliance. The new proposals as they stand would remove most of the protection previously provided for tenants and allow almost complete freedom of contract between parties.

Insiders have suggested that the minister's proposals were virtually written by the Country Landowners' Association, and they certainly appear to lean in the landlord's favour. If adopted, they would abolish security of tenure for new tenants (existing agreements would not be affected); there would be no statutory minimum term; no automatic right to renew a tenancy at the end of an agreed term; no statutory period for notice to quit; and no arbitration procedure for the settlement of disputes.

The idea is clearly to allow maximum flexibility and that, of course, has merit. The virtual removal of the entire framework of law within which tenancy agreements could be written, however, appears to be worrying even the CLA, and it seems likely that they, the NFU, the Tenant Farmers' Association, and the Young Farmers' Clubs, all of whom have similar interests but different priorities, will urge the minister not to be quite so radical.

The danger is that, in the absence of the kind of statutory framework that currently exists, every dispute could turn into a test case in the courts. None of the parties involved wants farm tenancies to become a lawyer's benefit.

That said, there is widespread acceptance that change is necessary, if only to recognise what is already happening in the market place. Some of the ideas floated in the minister's proposals will be widely welcomed. The assignability of a tenancy, for instance, would be regarded as a great step forward by many, although provision for this, like so many of the proposals, would be up to the individuals concerned.

As a farm tenant for more than 30 years, the agreement under which I operate would be unaffected by any new legislation. However, if I were signing to rent a new farm, in order to avoid the Dark Ages of some tenants' fears, I would wish to see as an absolute minimum statutory provisions for reviewing rent, up or down; a legally binding formula on compensation for improvements done by either party; and a standard procedure for arbitration of disputes.

Beyond that, the more flexibility and freedom of contract the better, so far as I am concerned. But I doubt if, in reality, a new law on the lines proposed would bring about significant improvements for young farmers seeking to get a start in the industry.

NFU outlines proposals for reforming CAP

By David Blackwell

THE UK'S National Farmers' Union, which has consistently opposed the European Commission's plans for reforming the Common Agricultural Policy, yesterday outlined its own proposals.

The basis of the NFU plan follows the lines of the US programme, allowing individual farmers to make the choice between supported prices and production controls, or no support and no control.

For cereals, current price support mechanisms would be maintained, but only under an annual set-aside programme. "Those farmers who did not wish to reduce their own production would be required to pay a levy, probably on a hectare basis and related to regional yields," the NFU proposes in a paper which has been presented to Copa, the Brussels-based lobby for European farmers' unions.

Individual farmers could also choose to reduce production by extensification, nitrogen reduction or by contracting to supply grain for non-food uses.

The oilseed sector could use the same system, the NFU suggests. Beef and sheep premiums could be related to stocking density in such a way that farmers who wished to claim support could be obliged to reduce their output.

Mr David Naish, president of the NFU, said yesterday continuing indecision on the CAP was "extremely damaging". It was important for Copa to come up with firm proposals on CAP reform, otherwise the proposals of Mr Ray MacSharry, the EC agriculture commissioner, would be taken up by default.

The MacSharry proposals envisage curbing support for large farms and targetting help at smaller farms.

WORLD COMMODITIES PRICES

MARKET REPORT

Lead prices extended early morning losses on the LME as sterling firmed against the dollar. Currency fluctuations dominated afternoon trade, with the price falling to a day's low of £341 a tonne for three month metal from a morning pre-market high of around £350.50. Bouts of trade selling and liquidation also helped to undermine prices throughout the day. Traders noted Friday's news from the American Bureau of Metal Statistics that lead stocks held by US refiners rose by 2,929 short tons to stand at 29,717 short tons at the end of March, indicating a lack of good physical demand for the metal in North America. Copper prices closed down, although the market stabilised in late trading after news that five [illegible] Peru Copper unions had given strike notice. London robusta coffee futures finished ahead as a New York-driven upward move was partly offset by hedge and arbitrage selling. Dealers said the US market had been aided by strike threats from Colombian port workers and roaster buying. London cocoa closed around the day's lows. "In the short term we should go further down but in this kind of volume it is very difficult to gauge," one dealer said.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	[illegible]	[illegible]
Brent Blend (dated)	[illegible]	+0.45
Brent Blend (Jun)	[illegible]	[illegible]
W.T.I. (1 pm est)	[illegible]	+0.67

Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$242-244	
Gas Oil	$181-183	+2
Heavy Fuel Oil	[illegible]	+3
Naphtha	[illegible]	[illegible]
Petroleum Argus Estimates		

Other		+ or -
Gold (per troy oz)♣	[illegible]	[illegible]
Silver (per troy oz)♣	[illegible]	-1.5
Platinum (per troy oz)	[illegible]	-4.15
Palladium (per troy oz)	[illegible]	-1.75
Aluminium (free market)	[illegible]	-20
Copper (US Producer)	112⅝c	
Lead (US Producer)	34c	
Nickel (free market)	416c	-2
Tin (Kuala Lumpur market)	14.68r	
Tin (New York)	255.5c	-0.5
Zinc (US Prime Western)	62c	
Cattle (live weight)†	110.72p	+0.26*
Sheep (dead weight)†	206.91p	[illegible]
Pigs (live weight)†	[illegible]	[illegible]
London daily sugar (raw)	$219.0t	[illegible]
London daily sugar (white)	$264.5t	[illegible]
Tate and Lyle export price	£230.5	[illegible]
Barley (English feed)	£124	
Maize (US No. 3 yellow)	£176.0	[illegible]
Wheat (US Dark Northern)	£97	
Rubber (May)♥	50.75p	-0.25
Rubber (Jun)♥	51.50p	-0.25
Rubber (KL RSS No 1 May)	226m	
Coconut oil (Philippines)§	[illegible]	+5
Palm Oil (Malaysian)§	$317.5a	
Copra (Philippines)§	$220q	
Soyabeans (US)	£164	
Cotton "A" index	83.70c	+0.40
Wooltops (64s Super)	342p	

£ a tonne unless otherwise stated. p-pence/kg. [illegible] r-ringgit/kg. q-Jul t-Apr/May u-Jun. s-Apr/Jun. a-Apr/Jun. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
May	[illegible]	[illegible]	192.00 188.20
Aug	[illegible]	[illegible]	192.00 [illegible]
[illegible]	[illegible]	189.00	190.40 [illegible]
Mar	[illegible]	187.00	[illegible] 186.00
[illegible]	[illegible]	189.00	186.80

White	Close	Previous	High/Low
May	280.0	284.0	284.8 279.8
Aug	280.0	278.0	280.5 278.4
Oct	282.0	285.0	282.5 281.0
[illegible]	258.0	[illegible]	258.0 256.1
Mar	261[illegible]	[illegible]	260.0 256.1

Turnover: Raw 1463 (1767) lots of 50 tonnes. White 1620 (1730)
Paris- White (FFr per tonne): May 1600, Aug 1599, Oct 1497.

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low
May	20.18	20.02	20.30 19.74
Jun	19.67	19.27	19.70 18.95
Jul	19.30	18.85	19.30 18.70
Aug	18.65	18.65	18.98 18.69
Sep	18.90	18.70	18.90 18.60
Oct	18.75	18.70	18.75 18.60
IPE Index	20.00	19.75	

Turnover 10802 (21764)

GAS OIL – IPE $/tonne

	Latest	Previous	High/Low
May	175.75	178.75	177.25 174.00
Jun	171.50	169.25	172.25 169.25
Jul	171.00	168.75	171.00 168.75
Aug	173.00	171.00	173.00 170.00
Sep	174.25	172.25	174.25 172.00
Oct	176.00	174.50	176.00 174.00
Nov	178.00	175.50	177.00 176.50

Turnover 5348 (4880) lots of 100 tonnes

TEA

There was good general demand except for the plainest teas, reports the Tea Brokers' Association. Bright liquoring descriptions and better mediums sold well at dearer rates. The balance of the offerings were barely steady with plainer sorts a weak feature. Colouty Central Africans remained fully firm but others showed an easier tendency. Ceylons attracted less competition at mostly lower rates with some withdrawals. In the offshore auction Kenyas met limited and selective support but other origins came to a good enquiry at marginally lower levels. Quotations: quality 275p, medium 112p, low medium 72p.

COCOA – London FOX [illegible]

	Close	Previous	High/Low
May	[illegible]	665	[illegible] 647
Jul	[illegible]	684	[illegible]
[illegible]	696	706	705 [illegible]
[illegible]	[illegible]	[illegible]	733 725
Mar	757	[illegible]	762 758
May	776	[illegible]	780

Turnover: 1886 (5933) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Apr 12 851.06 (846.12) 10 day average for Apr 15 854.07 (855.94)

COFFEE – London FOX [illegible]

	Close	Previous	High/Low
May	580	[illegible]	585 577
Jul	598	598	603 594
[illegible]	615	614	620 612
[illegible]	630	631	637 631
Jan	[illegible]	[illegible]	652
Mar	[illegible]	[illegible]	665

Turnover [illegible] (2525) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Apr 12 : Comp. daily 72.06 (72.45). 15 day average 72.73 (72.79)

POTATOES – London FOX £/tonne

	Close	Previous	High/Low
May	132.0	129.5	132.0 130.0
[illegible]	93.0		90.0
Mar	[illegible]	[illegible]	[illegible]
Apr	[illegible]	131.0	140.0 136.0

Turnover 135 (159) lots of 40 tonnes.

SOYAMEAL – London FOX [illegible]

	Close	Previous	High/Low
Aug	[illegible]	[illegible]	[illegible]
[illegible]	123.00	[illegible]	[illegible]

Turnover 4[illegible] (90) lots of 20 tonnes.

FREIGHT – London FOX $10/index point

	Close	Previous	High/Low
Apr	1545	1539	1545 1530
Jul	1190	1175	1190 1170
Oct	1290	1290	
Jan	1304	1301	1305
BFI	1583	1589	

Turnover 119 (365)

GRAINS – London FOX £/tonne

Wheat	Close	Previous	High/Low
May	139.10	139.00	139.15 138.85
Jun	140.90	140.70	140.90 140.50
Sep	111.75	111.75	111.75
Nov	115.00	114.90	115.10 115.00
Jan	118.45	118.35	118.60 118.45

Barley	Close	Previous	High/Low
May	116.75	117.00	116.75
Sep	107.90	107.90	

Turnover: Wheat 150 (273), Barley 2 (22).
Turnover lots of 100 tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
May	114.5	116.0	115.0
Jul	115.0	115.0	115.0
Sep	114.5	115.0	116.0 114.5
Oct	114.5	115.0	115.0 114.5
Nov	114.5	114.5	114.5

Turnover 26 (111) lots of 3,250 kg

MGMI – London FOX

	Close	Prev.	High	Low	Vol
Indx	152.87	154.41			
Apr	153.00	154.00	153.00		[illegible]
May	152.50	153.60	152.80	152.30	[illegible]
Jun	152.50	153.30	153.10	152.50	97
Sep	152.10	153.20	152.30	152.10	63
Dec	152.70	153.30	152.70		30
Mar	152.00		152.00		30

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 29,877 lots
Cash	1387-8	1394-5		1379-80		
3 months	1420-1	1424-5	[illegible]	[illegible]	1421-2	67,047 lots
Copper, Grade A (£ per tonne)						Total daily turnover 29,322 lots
Cash	1383-4	1376-8	1359/1356	[illegible]		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1354-5	[illegible]
Lead (£ per tonne)						Total daily turnover 4,117 lots
Cash	327.5-8.0	339-40	[illegible]	[illegible]		
3 months	341-2	351-2	[illegible]	[illegible]	[illegible]	14,881 lots
Nickel ($ per tonne)						Total daily turnover 1,603 lots
Cash	9030-40	9030-40	9030/8950	8950-60		
3 months	[illegible]	9040-45		[illegible]	[illegible]	8,167 lots
Tin ($ per tonne)						Total daily turnover 1,162 lots
Cash	5470-5	5480-90	5470	5468-9		
[illegible]	[illegible]	5570-5	5570/5585	5565-70	5562-4	6,472 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 7,540 lots
Cash	1425-35	1320-5	[illegible]	1345-6		
[illegible]	[illegible]	1206-8	1217/1205	[illegible]	1204-5	25,972 lots

LME Closing £/$ rate: SPOT: 1.7655 3 months: 1.7701 [illegible] [illegible]

LONDON BULLION MARKET (Prices supplied by N.M.Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	360.00-360.50	
Opening	359.50-360.00	
Morning fix	[illegible]	201.818
Afternoon fix	360.10	201.006
Day's high	360.80-361.30	
Day's low	359.30-359.80	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	[illegible]	6 months	5.07
2 months	5.13	12 months	5.01
3 months	5.11		

Silver fix	p/fine oz	US cts equiv
Spot	222.80	397.75
3 months	[illegible]	403.5[illegible]
6 months	[illegible]	409.70
12 months	247.70	423.30

GOLD COINS (Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	363.00-364.00	202.50-203.00
Maple leaf	372.00-373.00	207.50-208.00
New Sovereign	84.70-85.70	47.25-47.75

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	May	Jul	Apr	May
1300	102	[illegible]	1	8
1400	22	58	20	36
1500	1	19	98	98

Copper (Grade A)	Calls		Puts	
2350	90	99	[illegible]	58
2450	27	52	[illegible]	105
2550	4	[illegible]	122	175

Coffee	[illegible]	[illegible]	[illegible]	Jul
550	30	58		10
600	[illegible]	[illegible]	21	30
650		[illegible]	70	34

Cocoa	[illegible]	[illegible]	May	Jul
600	[illegible]	79		6
650	5	[illegible]	7	19
700		[illegible]	52	47

Brent Crude	Jun	[illegible]	[illegible]	Jul
1900	70			
2050	70	65		
2000	[illegible]			

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Apr	[illegible]	[illegible]	361.9	361.0
May	[illegible]	361.1	0	0
Jun	363.2	362.7	[illegible]	362.1
Aug	[illegible]	[illegible]	368.5	365.2
Oct	[illegible]	[illegible]	369.8	368.5
Dec	[illegible]	[illegible]	372.7	371.5
Feb	376.7	[illegible]	376.0	376.0
Apr	379.0	[illegible]	0	0
Jun	[illegible]	382.0	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Apr	399.3	[illegible]	[illegible]	396.0
Jul	403.6	[illegible]	[illegible]	401.3
[illegible]	[illegible]	408.7	[illegible]	406.0
Jan	410.9	412.2	0	0
Apr	[illegible]	416.6	0	0
Jul	419.8	421.1	0	0

SILVER 5,000 troy oz; [illegible] oz.

	Close	Previous	High/Low	
Apr	396.1	[illegible]	397.0	396.0
May	399.2	398.8	400.0	395.0
Jun	401.5	401.1	0	0
Jul	404.0	403.5	405.0	400.0
[illegible]	[illegible]	408.4	[illegible]	404.0
[illegible]	[illegible]	415.4	[illegible]	412.5
Jan	418.1	417.7	0	0
Mar	423.4	423.0	423.0	422.0
May	428.6	428.2	424.5	424.5
Jul	433.9	433.5	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	107.90	108.35	108.10	107.90
May	108.30	108.70	108.80	108.10
Jun	107.75	108.10	107.70	107.70
Jul	107.20	107.55	107.70	107.00
Aug	106.75	107.05	0	0
Sep	106.25	106.50	106.50	106.20
Oct	105.65	105.85	0	0
Nov	105.35	105.55	0	0
Dec	104.75	104.90	105.20	104.60
Jan	104.15	104.25	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
[illegible]	[illegible]	[illegible]	[illegible]	21.25
Jun	[illegible]	20.97	[illegible]	[illegible]
Jul	[illegible]	20.53	21.02	20.41
[illegible]	[illegible]	20.25	20.73	20.15
Sep	20.46	20.05	20.50	19.98
Oct	[illegible]	[illegible]	[illegible]	19.90
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	20.25	[illegible]
Jan	[illegible]	[illegible]	20.00	[illegible]
Feb	19.95	19.66	19.95	19.66

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
May	5660	5605	[illegible]	5570
[illegible]	5625	[illegible]	[illegible]	5500
[illegible]	[illegible]	5533	5630	5505
Aug	5660	5571	5680	5555
[illegible]	5785	5696	5815	5700
[illegible]	5905	5781	5905	5800
[illegible]	5960	5856	6000	5890
[illegible]	6060	[illegible]	6065	5930
[illegible]	6095	[illegible]	6110	5995
[illegible]	5955	5846	5965	5880

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
[illegible]	1081	1099	1110	1078
Jul	1111	1129	[illegible]	[illegible]
[illegible]	1141	[illegible]	1165	[illegible]
[illegible]	1180	1196	1204	[illegible]
[illegible]	[illegible]	1226	1225	1225
[illegible]	1241	[illegible]	0	0
Jul	1267	1279	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
May	[illegible]	91.55	92.50	[illegible]
Jul	[illegible]	93.80	94.80	93.60
Sep	[illegible]	96.00	96.75	95.85
Dec	99.15	99.30	99.30	99.00
Mar	101.90	102.25	0	0
May	[illegible]	104.10	0	0
Jul	[illegible]	105.75	0	0
Sep	108.00	106.65	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	8.66	8.71	8.75	8.64
Jul	[illegible]	[illegible]	8.59	8.47
Oct	8.46	8.45	8.54	8.41
Mar	[illegible]	8.42	8.47	8.37
May	8.52	8.52	8.52	8.50
Jul	8.57	8.53	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
May	[illegible]	88.49	89.50	87.20
Jul	[illegible]	[illegible]	88.20	[illegible]
Oct	75.07	75.28	75.60	[illegible]
Dec	[illegible]	70.96	71.15	[illegible]
Mar	[illegible]	72.15	72.20	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
Jul	[illegible]	[illegible]	[illegible]	[illegible]

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	[illegible]	[illegible]	117.00	[illegible]
Jul	116.30	115.80	[illegible]	116.00
Sep	116.65	116.10	117.60	[illegible]
[illegible]	117.10	116.65	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Apr 13	Apr 12	mnth ago	yr ago
1735.6	1741.8	1717.1	-

DOW JONES (Base: Dec. 31 1974 = 100)

	Apr 12	Apr 11	mnth ago	yr ago
Spot	127.15	125.79	128.00	-
Futures	129.25	129.25	129.72	-

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
[illegible]	585/6	587/6	593/0	585/0
[illegible]	[illegible]	598/6	605/0	[illegible]
Aug	[illegible]	[illegible]	[illegible]	602/2
Sep	605/4	608/0	612/2	[illegible]
Nov	[illegible]	[illegible]	621/4	615/0
Jan	[illegible]	[illegible]	632/0	626/0
[illegible]	[illegible]	[illegible]	642/4	[illegible]
May	[illegible]	[illegible]	648/0	[illegible]

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
May	21.50	21.66	21.90	21.49
Jul	21.83	22.01	22.24	21.82
[illegible]	21.98	22.15	22.39	[illegible]
[illegible]	22.12	22.30	[illegible]	22.12
[illegible]	[illegible]	[illegible]	22.60	22.26
[illegible]	[illegible]	[illegible]	[illegible]	22.48
Jan	[illegible]	[illegible]	[illegible]	22.61
Mar	22.82	22.95	0	[illegible]

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
May	171.4	171.4	172.6	[illegible]
Jul	174.9	174.7	176.1	174.8
[illegible]	176.3	176.2	177.8	[illegible]
[illegible]	178.2	178.4	179.5	178.2
[illegible]	[illegible]	179.9	181.0	179.3
[illegible]	182.5	182.9	184.0	182.5
Jan	[illegible]	[illegible]	0	[illegible]
Mar	188.0	188.0	0	0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
May	257/0	258/6	[illegible]	256/4
Jul	263/6	266/2	[illegible]	263/4
[illegible]	263/0	265/6	267/2	262/6
[illegible]	261/4	264/0	265/4	261/2
Mar	[illegible]	272/2	272/6	269/0
May	274/4	276/2	278/4	274/4
Jul	277/4	281/4	281/4	277/4

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
May	283/2	288/2	289/6	283/0
Jul	293/2	298/0	299/6	293/0
Sep	302/4	306/0	307/4	302/0
Dec	316/4	320/2	321/4	314/4
Mar	324/0	328/4	328/4	323/0
May	327/0	332/0	0	0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	80.95	81.10	81.25	80.55
Jun	76.87	76.67	76.97	76.30
Aug	74.85	74.67	74.97	74.40
Oct	76.37	76.30	76.50	75.97
Dec	76.55	76.55	76.75	76.25
Feb	76.10	76.15	76.25	76.10
Apr	76.75	76.70	76.80	76.60

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Apr	52.50	52.45	52.65	52.05
Jun	57.62	57.10	57.67	57.00
Jul	57.15	56.35	57.20	56.25
Aug	54.05	53.47	54.12	53.42
Oct	48.70	48.42	48.90	48.45
Dec	48.20	48.12	48.45	48.20
Feb	47.80	47.67	47.80	47.75
Apr	46.30	46.27	46.40	46.30

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
May	62.65	62.40	63.15	61.80
Jul	61.02	60.87	61.40	60.80
Aug	57.92	57.80	58.75	56.80
Feb	60.65	60.05	60.65	59.30
Mar	60.40	59.70	60.40	0

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LONDON STOCK EXCHANGE

Market moves towards a new peak

UK STOCKS shook off a somewhat dull backcloth yesterday to move towards new peaks before being thwarted in late dealings by an unimpressive start to the new Wall Street session. Earlier, the market had bounced ahead to challenge its previous intra-day highs, supported by activity in the FT-SE futures sector. A firm performance by sterling also helped sentiment, although market strategists continued to suggest that further cuts in UK base rates may be delayed until later this year.

Poor trading volume for the first day of the new equity market account appeared to indicate an underlying lack of enthusiasm. The Footsie Index gained more than 25 points in early trading but came off the top as the premium on the futures contract faded. The market's gain, already clipped to less than 20 points, came under further pressure when Wall Street reversed an early gain to show a fall of 1.24 on the Dow as London closed down for the day. London is acutely sensitive to Wall Street influences at present because of the possibility of cuts in US interest rates.

The final reading put the FT-SE Index at 2,542.8, a gain of 16.7 on the session and a mere 2[illegible] below the all-time high achieved on April 5. At mid-morning the Index challenged, but failed to reach, the intra day peak of 2,552.1 [illegible] April 5.

Traders agreed that it was a session featured more by a rise in market indices than by any change in investment sentiment. In early trading the market was led forward by a modest premium on the FT-SE June contract against fair value. By the end of the session this premium had been largely eliminated and equities were left to drift off from their best levels. Seaq trading volume was sharply lower at 394.1m shares, against 621.4m on Friday.

However, it was clear that the big institutions remain unwilling to sell stock and will buy shares at suitable prices. Hints that a significant corporate move is pending in the stock market resurfaced strongly in late dealings, although there was no general agreement on whether this would be a substantial fund-raising or a bid for a Footsie-listed stock. Expectations of further rights issues were unaffected by further relatively modest cash calls, notably for £96m from Morgan Crucible, the London-based industrial materials group.

While the market was helped by the firmness on Wall Street on Friday, which reflected hopes that the Federal Reserve would soon cut US interest rates, investment optimism was a little more subdued in London yesterday. Friday's cut of half a point in UK base rates, followed by the reductions in house lending rates which will help the fight against inflation, has left the London stock market with little to look forward to in the immediate future. Further base rate reductions are assumed, but it is expected that these will wait for clear news of improvement in the core rate of domestic inflation.

Oil shares again attracted support as last week's uptick in crude oil prices reversed some of the more bearish views on the sector taken recently by at least one leading UK securities house. International blue chip stocks were also firmer yesterday, despite the improvement in sterling which is a bearish factor for their overseas earnings. BAT Industries and Glaxo stood out well, with the weak feature provided by ICI, still overshadowed by bearish statements from the boardroom earlier this year.

Account Dealing Dates		
*First Dealings:		
Apr 2	Apr 15	Apr 29
Option Declarations:		
Apr 11	Apr 25	May 16
Last Dealings:		
Apr 12	Apr 26	May 17
Account Day:		
Apr 22	May 7	May 28

*New-time dealings may take place from 8.30 am two business days earlier.

Oil sector remains in favour

THE oil majors were to the fore yesterday, still responding to the recent spate of buy notes on the sector, the firmness of crude oil prices and suggestions that buying in the past few sessions had uncovered a number of stock shortages among marketmakers.

The heaviest turnover in the sector – 9.7m shares – was in BP, where the shares ran up strongly to 359p before ending the day a net 6 higher at 355p.

There was a suggestion in the market that the UK oil group has signalled that it would consider bids for some of its assets in the US. These, it was said, comprise all of its non-Alaskan onshore assets, which specialists said could [illegible] worth $700m to $1bn. Most analysts took the view that the assets would be sold, but not in the immediate future.

Shell were aggressively bought, closing 12 firmer at 511p, after 513p, on turnover of 7m, as strong UK buying outweighed yet more switching out of Shell and into Royal Dutch. Both stocks responded to the positive presentation given to analysts in London last week.

British Gas edged up 2 to 246p on 6.4m with the imminent board meeting expected to be followed by Gas's response to Ofgas's new tariff formula. Enterprise, hit recently by worries about Elf possibly placing its 25 per cent stake in the market or Enterprise making a big rights issue, rallied to close 9 higher at 560p.

Rank unsettled

Rank Organisation lost ground in edgy trading as the company began a series of meetings with securities houses at which analysts are being asked to submit current forecasts and recommendations as a basis for discussion.

Cautious noises yesterday from one broker, Panmure Gordon, reflected the mood ahead of the briefings. The shares recovered somewhat as the first meeting began although no analyst had reported back by the time the market closed. There were suggestions that James Capel was in the first briefing. Today's is with Smith New Court.

Trading volume was light as Rank added to Friday's decline of 17 with a further fall of 27 at yesterday's lowest point. The final price was 725p, a drop of 11 on the day as 604,000 shares changed hands.

The second rights issue in ten months by industrial materials group Morgan Crucible was perceived by the market as being "cynically opportunist." After raising £79m net last June, the group this time called for £96.1m and the news stunned the market. Higher annual profits of £60m, against £54.5m, failed to compensate and the shares moved lower to close 14 down [illegible] 256p.

Morgan Crucible said there was considerable scope for it to continue to grow both by further acquisitions and organically, and analysts assumed the former was the purpose of the new finance. Many had reservations about the stock, however, and shaved profits estimates for the current year. The immediate consensus figure is around [illegible] Govett researcher Mr Richard Rae's forecast of £69m.

American buying was said to be behind the good showing by Royal Bank of Scotland, which settled 6 up at 195p on turnover of 2.1m. Abbey National shares were 2 off at 284p ahead of the presentation, hosted by Daiwa, to Japanese institutions in Tokyo.

Press suggestions t[illegible]t Guardian Royal Exchange could end up as a takeover target for Sun Alliance, among others, drove the shares up 7 to 214p. One buyer was said to have been responsible for for Prudential adding 6 at 248p.

Blue Circle Industries (BCI), due to report preliminary figures on Thursday, remained dogged by rights issue stories, with some specialists mentioning a possible one-for-five issue at 21[illegible] to raise some £200m. BCI fell 4 to 257p. Recovery prospects outweighed the dismal results from Turriff and left the shares 14 higher at 82p.

Whessoe went to 1991 high of 194p before ending 5 up on balance at 189p, benefiting from comment on its long-term appeal both to institutional and smaller investors. The engineering group was said to [illegible] disposed of troublesome operations, had cash in hand and was trading on a modest prospective price/earnings multiple. Second-half trading seasonally produces the larger con[illegible]bution to profits, but researchers still look for higher interim figures when Whessoe reports on May 22.

Sema, the software group, dropped sharply to close 24 to 349p, hit by suggestions that Cap Gemini Sogeti, the French group, may be about to sell its 27.4 per cent stake and possibly launch a bid for SD-Scicon.

Another b[illegible] turnover in Racal Electronics, 5.7m, was accompanied by vague stories that the group could be about to sell a large stake in Racal Telecom direct to Hutchison Whampoa, the Hongkong conglomerate. Racal intends demerging its 80 per cent subsidiary Racal Telecom later this year. Electronics closed 3 up at 233p as did Telecom, at 381p.

Buyers wanted British Vita ahead of tomorrow's annual meeting and the close was 9 higher at 249p. Powerscreen registered good turnover as 1.3m shares were placed but the price remained at 176p. Gartmore Investment Management announced later yesterday a holding of 5.1 per cent.

French Connection rose 12 to 47p after it announced a return to profitability of £57,000, against a loss the previous year of £4.67m.

Asda slipped 2 to 133p as Hoare Govett remained cautious on the food retailer. Profits of £200m are expected this year, while in 1992/93 Hoare forecasts £189m, a new estimate. Asda's slower expansion programme, greater competitive pressures and an inability to generate sufficient cash flow will depress profitability, said Hoare.

Iceland Frozen Foods climbed 3 to 348p after Kleinwort Benson raised its profits estimate.

Albert Fisher added 3 to 121p on optimism ahead of its finals on Thursday. Analysts forecast profits of £44m against £30.5m last time.

Le Creuset, the French manufacturer of designer cast-iron cookware which joined the USM two ago, attracted support ahead of tomorrow's annual results. Analysts expect profits to exceed £3m, compared with £2.67m last time, and the shares closed 9 up at 183p.

Fellow USM stock Porth almost doubled to 11p on hopes that reports were true of Sir Michael Edwardes, the former head of British Leyland, join[illegible]g as chairman. The company [illegible] the UK's largest manufacturer of Christmas decorations.

The mood among leisure sector traders was cautious as many expected a rights issue from Granada. Some were even prepared to name numbers and plumped for a 2 for 5 issue at 160p today. The share eased a penny to 195p.

Allied Leisure, which runs bowling alleys, eased 5 to 104p on news of a one for one rights issue at 97p to raise £16.1m. Smith New Court, the company's broker, said that gearing had been approaching 150 per cent and that after [illegible] issue it would be 40 per cent.

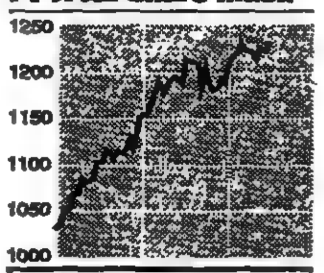
Tour operator Airtours climbed 13 to 357p after proposing a placing and offer to raise £15.9m. The stock's strength was helped by the accompanying statement that bookings at Airtours were three times the level of last year's average. The placement with institutional investors is at 320p, the same price at which existing shareholders can apply on a three for 10 basis.

Volatile Brent Walker rose 8 to 71p on confirmation of the transfer of assets, including the Trocadero retail, leisure and office development in central London, to Power Corp.

Maxwell Communication Corporation (MCC) was squeezed higher yet again as the market prepared for details due this week of the proposed flotation of Mirror Group newspapers. Both companies are controlled by Mr Robert Maxwell. US securities house Goldman Sachs was again persistently bidding for MCC shares, which climbed 14 to 239p.

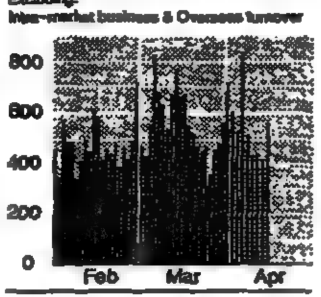
■ Other Market statistics, including the FT-Actuaries share index, Page 21

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



NEW HIGHS AND LOWS FOR 1991

NEW HIGHS (168).
BRITISH FUNDS (9) Treas. 2pc IL 1992, Do. 3pc 1992, Do. 2pc IL 1994, Do. 2pc IL 1996, Do. 2½pc IL 20[illegible], [illegible]pc IL 2003, Do. 2pc IL 2006, Do. [illegible] IL 2016, Do. 2½pc IL 2020, AMERICANS (11) Abbott Labs., Data Gen., Gen. [illegible], Hasbro, Lone Star, Lowes, Merrill Lynch, Pall, Texaco, Texas Instr., USX, CANADIANS (3) Bk. Nova Scotia, [illegible] INSURAN[illegible] Hi-Tec, [illegible] TV, MOTOR[illegible] Perry, [illegible] (8) Bristol [illegible] PAPERS (8) [illegible]

Marden, TMD, Wadd[illegible], PROPERTY (3) BHH, Billion (F), [illegible] TEXTILES (2) Gaskell, Lyles (S), [illegible] (3) Mayes Nickless, Sea Containers, [illegible] & Britain, TRUSTS (38) Aberforth [illegible], American Tst., Archimedes, [illegible] Baillie Gifford [illegible] Asia, Cons. Ven[illegible] Dual Zero Prf., [illegible] Ripples, First [illegible] American, Do. Cnv. [illegible] Fleming Japanese, Flmg. O'seas, Foreign & Col., GT Japan, Gartmore Euro., Fac. Wrnts., Gen. Cons. Stpd. Prf., [illegible] INVESCO [illegible] Jersey P[illegible] Venture, [illegible]

NEW LOWS (20).
BRITISH FUNDS (1) Treas. 6pc 2008, CANADIANS (1) Granges Expl., BANKS (1) HSBC, STORES (2) Geest (SR), Oliver, ELECTRICALS (4) Hitclare, Lec Refrgn., [illegible] ENGINEERING (2) Cowieshaw, [illegible] MINERALS (2) Alexandra [illegible] (J), Bilston & B'ssee, [illegible] Nolan, NEWSPAPERS (1) [illegible] PROPERTY (1) Hardanger, [illegible] MINES (2) Blyvoor, Kolls

FINANCIAL TIMES STOCK INDICES

	Apr 15	Apr 12	Apr 11	Apr 10	Apr 9	Year Ago	1991 High	1991 Low	Since Compilation High	Since Compilation Low
Government Secs	85.17	85.35	85.47	85.39	85.43	75.98	85.88 (19/2)	82.17 (2/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	94.75	94.77	94.76	94.73	94.73	85.69	94.84 (5/4)	90.59 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share®	[illegible]	1997.5	2002.2	[illegible]	1998.0	1736.3	2014.5 (5/4)	1609.3 (16/1)	2014.5 (5/4/91)	49.4 (26/6/40)
Gold Mines	140.0	141.3	141.2	143.1	140.2	250.8	170.7 (14/1)	127.0 (22/2)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	[illegible]	2526.1	2531.6	2518.6	2527.2	2214.5	2545.3 (5/4)	[illegible]	2545.3 (5/4/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1176.39	1164.85	1161.05	1155.88	[illegible]	-	1176.39 (15/4)	938.62 (16/1)	1176.39 (15/4/91)	938.62 (16/1/91)
●Ord. Div. Yield	4.83	4.84	4.83	[illegible]	4.85	5.15				
●Earning Yld %(full)	8.80	8.82	8.81	8.87	8.84	11.50				
●P/E Ratio(Net)(*)	13.88	13.84	13.87	13.87	13.82	10.21				
SEAQ Bargns 4.45pm	31,604	41,257	34,287	32,348	38,774	10,214				
Equity Turnover(£m)†	-	1253.31	1035.94	1020.83	724.05	738.62				
Equity Bargains†	-	43,019	33,786	43,752	40,345	18,806				
Shares Traded (ml)†	-	657.2	420.1	446.0	431.7	307.5				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83. ● FT-SE Eurotrack 200 29/10/90. [illegible]

Ordinary Share Index, Hourly changes — Day's High 2013.7 — Day's Low 1994.9

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1994.9	2005.4	2011.8	2013.7	2011.5	2008.8	2010.5	2008.7	2005.5

FT-SE 100, Hourly changes — Day's High 2551.5 — Day's Low 2525.7

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2525.7	2538.6	2547.5	2550.1	2550.3	2548.8	2550.1	2548.0	2545.3

FT-SE Eurotrack 200, hourly changes — Day's High 1176.72 — Day's Low 1172.87

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1173.24	1173.57	1174.79	1176.21	1174.66	1175.41	1174.66

GILT EDGED ACTIVITY

Indices*	Apr 12	Apr 11
Gilt Edged Bargains	103.1	103.6
5 – Day average	114.2	116.6

*SE Activity 1974. †Excluding intra-market business & Overseas turnover.

London report and latest Share Index: Tel. 0898 123001

TRADING VOLUME IN MAJOR STOCKS

Stock	Volume 000's	Closing Price	Day's change
[illegible]	[illegible]	[illegible]	[illegible]

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday [illegible]

EQUITY FUTURES AND OPTIONS TRADING

THE LONDON stock market was led higher yesterday by equity futures, which continued to anticipate an end to the recession later in the year.

With locals short of futures the market quickly moved to a premium of 40 points to the spot index and shares were promptly marked higher.

Dealers said the move up had been largely technical and there had been few buyers. Instead a cluster of sellers waited for their opportunity. When the FT-SE index failed to clear 2,550 the sellers pounced.

Pressure from US equity futures as the Federal Reserve indicated that it would not ease monetary policy triggered further selling. UBS Phillips & Drew said buying futures at current levels would anticipate only good economic news and recommended investors sell futures.

June FT-SE closed at 2,576, up 18 points on the day and 31 points above the cash index, which is close to fair value.

In traded options, BP April 330 calls were actively traded as the shares rallied. Euro FT-SE was boosted as institutions bought December 2,525 calls and sold 2,725 calls for the same month, suggesting the market would not rise much further by the year end.

Boots calls were actively traded as investors bought back their option positions and rolled them into other forward months.

LONDON SHARE SERVICE

BRITISH FUNDS

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Five to Fifteen Years						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Over Fifteen Years						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Undated						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRITISH FUNDS—Contd

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
Index-Linked						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INT. BANK AND O'SEAS

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CORPORATION LOANS

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH & AFRICAN LOANS

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS

Building Societies

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Public Board and Ind.

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN BONDS & RAILS

1991 High	1991 Low	Stock	Price £	+ or –	Div %	Red. Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

1991 High	1991 Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS—Contd

1991 High	1991 Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
48[illegible]	37[illegible]	CPC Intnl. 25c.	46½	+1¼	$2.00	–	2.3
717p	420p	California Engy.	700p	–8	–	–	–
49[illegible]	28¾	Campbell Soup 15c.	47½	–¾	$1.16	–	1.4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

1991 High	1991 Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on next page

APPOINTMENTS

Chairman designate at Molins

■ Mr J.C. (Michael) Orr has been appointed a director of MOLINS with the intention that he will succeed Mr Neil Clarke as chairman following the annual meeting on May 1. Mr Orr was a senior director of S.G. Warburg & Co until 1981 and was then group finance director of Grand Metropolitan for six years. More recently he was a managing director and head of investment banking of Merrill Lynch Europe. Aged 53, he is also a non-executive director of Sketchley and Throgmorton Trust.

■ Mr Alistair Peart has been appointed financial controller of WASSALL. He was financial controller of a division of the BTR Group.

■ Ms Diane McGarry has been appointed director, sales operations, at RANK XEROX (UK), Uxbridge. She was vice president at Xerox Corporation, Stamford, Connecticut.

■ W.I. CARR (INVESTMENTS), private client and portfolio management arm of W.I. Carr Group, has appointed Mr Neil MacLeod as director of portfolio management research. [illegible] was head of UK fund management and private client research at Capel-Cure Myers. W.I. Carr is part of the Banque Indosuez Group.

■ Mr Stephen Ingram has been appointed non-executive chairman of J. BILLAM in succession to Mr Leo Wright who retires after the annual meeting on May 23.

■ Mr Daniel Goyder, currently a part-time member of the MONOPOLIES AND MERGERS COMMISSION, will succeed Mr Holman Hunt as a deputy chairman when Mr Hunt retires at the end of April. Mr Goyder is a solicitor specialising in competition law.

■ NATIONWIDE CABLES, cable distribution arm of Newey & Eyre, has appointed Mr Harry Male as director and general manager. He was sales director.

■ ROYAL LIFE HOLDINGS, part of the Royal Insurance group, has appointed Mr Don Shore as an assistant managing director from May 13. He is chairman and managing director of Prolific Life and Pensions.

■ BACON & WOODROW has appointed two partners in the pensions department. Mr Norman Braithwaite joins from Mercer Fraser where he was a director. He will be opening Bacon & Woodrow's Manchester office later this year, but will first be based in Leeds. Mr Martin Miles joins the London office from Buck Patterson. Bacon & Woodrow Financial Services, St Albans, has appointed Ms Angela Janczys as head of personal financial management. She was with Arthur Andersen.

■ Mr A.C. Chambers has been appointed to the board of ROBERT FLEMING HOLDINGS. He was a director of Robert Fleming & Co, the banking subsidiary.

■ Mr Bernard Horn, chief executive of National Westminster Bank's international business division, has been appointed a director of NatWest subsidiary COUTTS & CO. He succeeds Mr John Tugwell who has become chairman and chief executive of NatWest Bancorp in the US.

■ BUCKINGHAM INTERNATIONAL has appointed Mr Adrian Aylward as chief operating officer. He will join the board after the annual meeting on May 8. Mr Aylward was on the board of Emess, and remains non-executive chairman of Imperial Group, and a non-executive director of Marlin Lighting, both Emess subsidiaries.

■ Mr Martin Granby, business planning manager at THE NATIONAL MAGAZINE COMPANY, has been promoted to the new position of financial controller. He [illegible] take responsibility for the day-to-day running of the company's finance department.

■ Mr Walter Campbell has been appointed managing director of Weir Group subsidiary HOPKINSONS valve-making plant at Huddersfield. He joins from the American-owned Cameron Iron Works where he has been a director and managing director of its forged products division, based at Livingston, near Edinburgh, for the last 14 years. Mr Campbell, who will take up his new post in May, also joins the board of Atwood and Morrill, the US valve-maker purchased by the Weir Group last year.

Mr Peter Steger (pictured) has been appointed managing director of BISHOP INVESTIGATIONS. He was with Kroll Associates.

LONDON SHARE SERVICE

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BANKS, HP & LEASING

1991 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
£11¼	£9⅜	ABN Amro F75	£11¼	+⅛	Q30%	♦	4.1	♦
151	121	ANZ SA1	147	+5	Q98c	1.9	11.3	4.7
288	211	Abbey National 10p	284	−2	9.5	3.0	4.5	9.9
183	126	Allied Irish Grd	171	.....	†Q40%	3.3	5.2	7.7
65	53	Anglo Irish	60	.....	Q18.6%	2.3	7.0	7.9
60	38	Ansbacher (H.) 1p	38	.....	1.5	0.3	5.3	−
£55½	£42	Bancaire Cie Fr100	£49½	.....	Q15%	−	3.1	−
£17¼	£12½	Banco Bilbao Viz	£17	.....	Q49.1%	2.7	4.8	7.7
£30⅞	£21⅝	Banco de Santander	£30¼	.....	Q28.7%	2.3	4.0	10.7
208	139	Bank Ireland IrE1	198	.....	Q14.7%	2.9	6.7	6.9
£19½	£19½	Bank Leumi	£19½	.....	−	−	−	−
350	350	Bank Leumi (UK) £1	350	.....	16.0	−	6.1	−
148	111	Bank Scotland	145	+5	4.55	3.4	4.2	9.2
110	96½	Do. 9¼pc Irrd Pf £1	106¼	+½	9¼%	−	11.6	−
110½	99½	Do. 9¾pc Irrd Pf £1	110	+½	9¾%	−	11.8	−
43	35	Bank of Wales	43	.....	2.8	0.8	8.7	(20.7)
489	327	Barclays £1	476	+4	21.15	1.1	5.9	19.8
12	9	Beachmark 20p	10	.....	0.75	−	10.0	−
252	195	Brown Shipley £1	252	.....	±12.0	2.2	6	8.1
464	384	Cater Allen £1	454	.....	F24.5	−	7.2	−
44	36	Chancery	36	.....	9.0	2.7	3	1.4
£18⅝	£15	Commerzbk DM10	£18½	+⅛	Q20%	−	3.8	−
£231¾	£191¼	Deutsche Bk DM50	£216½	+2	Q28%	−	2.2	−
£9⅞	£7⅜	Dai Ichi KBk Y50	£9⅝	+⅛	Q17%	6.2	0.4	45.5
£18½	£16¼	Espirito Santo	£17⅞	.....	Q75c	5.1	2.3	8.3
213	152	First Nat. Fin. 10p	208	+1	13.0	1.2	8.3	Q24.0
110	78	FNFC 6.3pc Cr. Pf £1	108	.....	6.3%	−	7.8	−
1100	867	Fuji Bank Y50	1070	.....	†Q17%	6.9	0.3	45.6
355	303	Gerrard & National	339	.....	19.0	−	7.5	−
78	50	Guinness Mahon 10p	51½	.....	1.45	−	3.8	−
193	181	HSBC Hldgs HK$10	181	−2	Q156c	−	6.2	−

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS — Contd

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS — Contd

ELECTRICITY

ENGINEERING

ENGINEERING — Contd

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS (Miscel.) — Contd

INDUSTRIALS (Miscel.) — Contd.

INSURANCES

LEISURE

LONDON SHARE SERVICE

[redacted] Prices are available on FT Cityline. To obtain your [redacted] Share [redacted] Booklet ring the FT Cityline help [redacted] on 071-925-2128

MOTORS, AIRCRAFT TRADES

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
81	50	ABI Leisure 10p	81	.....	3.1	4.4	5.1	5.6
£8	£5½	DAF N.V. Fl5	£8½	–⅛		–	–	–
10½	7½	General Mtrs Units.	102	.....	Q12½%	–	6.8	–
14	9	March Group 5p.	14	.....	–	–	–	–
£133¼	£101¾	Volkswagen DM50	£122½	+¼	Q22%	3.5	3.0	9.6
£30	£18¾	Volvo AB 'B' Kr25	£30	+	Q62%	♦	4.6	♦

Commercial Vehicles

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
158	113	ERF (Hldgs)	153	.....	†10.0	1.6	‡	9.3
73	48	Plaxton Grp.	58	.....	4.5	♦	10.3	♦

Components

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
470	453	Abbey Panels	470	.....	3.5	10.8	1.0	12.5
140	123	Airflow Streamlines	138	.....	6.0	3.0	5.8	7.7
147	140	Bostrom 5p	140	+½	6.0	♦	5.7	♦
196	145	Dowty 50p	174	.....	†9.0	2.1	6.9	8.3
181	115	FR Group	175	.....	6.37	3.1	4.9	8.9
120	69	Kwik-Fit Hldgs. 10p	110	–½	2.75	♦	3.3	♦
173	125	Lucas Inds.	168	+2	7.0	2.2	5.6	9.5
38	18	Do. Warrants	36½	.....	–	–	–	–
60	47	Mid-States 10p	59	.....	‡20.75	–	1.7	37.1

Garages and Distributors

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
24	14	Alexanders 10p	18	.....	1.0	3.4	7.4	4.9
110	60	Appleyard 10p	102	+6	7.8	♦	10.2	♦
80	65	Bletchley Motor 20p	80	.....	†7.5	1.9	12.5	5.7
403	358	Caffyns 50p	363	.....	11.5	1.0	4.2	(33.1)
111	88	Central Motor Auctns.	109	.....	3.5	2.7	4.3	10.4
36	15	Cook (D.C.) Hldgs 5p	20	.....	1.0	5.3	6.7	3.8
92	36	Cowie (T.) 5p	82	+1	3.7	1.7	6.0	11.4
111	76	Dagenham Motors 10p	110	+3	5.75	♦	7.0	♦
91	70	Davenport Vernon 10p	88	.....	4.0	2.4	6.1	9.0
229	158	Evans Halshaw	224	.....	11.25	1.1	6.7	18.2
78	65	Gates (F.G.)	65	.....	2.75	1.9	5.6	12.2

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Contd

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRANSPORT

INVESTMENT TRUST

INVESTMENT TRUST—Contd

INVESTMENT TRUST—Contd

Net asset values supplied by County [redacted]

FINANCE, LAND, ETC

WATER

OIL AND GAS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

MINES—Contd

Tins

Miscellaneous

NOTES

... Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1990-91. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1991. K Dividend and yield based on prospectus or other official estimates for 1990. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1989-90. P Figures based on prospectus or other official estimates for 1991. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Craig & Rose £1	650	.....
Finlay Pkg. 5p	31	.....
Holt (Jos) 25p	1602	–2

IRISH

Cap. 8½% Ln 1991	£99½	.....
9pc Cap Ln. 1996	£98½	.....
Fin. 13% 97/02	£114½	.....
Arnotts	160	.....
Carroll (P.J.)	154	.....
Heiton Hldgs	43	.....
IRG	155	.....
United Drug	170	.....

TRADITIONAL OPTIONS

3-month call [redacted]

Industrials

	p
Allied-Lyons	46
Amstrad	7
Astec (BSR)	6
BAT	60
BOC Grp.	31
BTR	33
Barclays	38
Blue Circle	24
Boots	30
Bowaters	53
Brit Aerospace	56
British Steel	12
Brit. Telecom	[illegible]
Cadburys	[illegible]
Charter Cons.	[illegible]
Comm Union	[illegible]
Courtaulds	[illegible]
Eurotunnel	[illegible]
FKI	6
FNFC	20
Gen Accident	48
GEC	17
Glaxo	80
Grand Met	62
Guardian	19
GKN	31
Hanson	19
Hawker Sidd	39
ICI	80
Ladbroke	22
Legal & Gen	36
Lex Service	20
Lloyds Bank	30
Lucas Inds	13
Marks & Spencer	21
Midland Bk	18
Nat West Bk	27
P & O Dfd	51
Racal Elect	19
RHM	20
Rank Org Ord	63
Ratners	17
Reed Intnl	36
Sears	8½
SmKl. Beecham A	58
TI	48
TSB	12
Tesco	21
Thorn EMI	64
Trust Houses	23
T&N	15
Unilever	60
Vickers	19
Wellcome	40

Property

Brit Land	30
Control Secs	3
Land Securities	45
MEPC	48
Mountleigh	8½

Oils

Aviva Petlm	3
Brit Petroleum	28
Burmah Castrol	49
Conroy Petlm	10
Gaelic Res	1
Premier	6
Shell	41
Teskar Res	2
Ultramar	30

Mines

Lonrho	21
RTZ	48

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AUTHORISED UNIT TRUSTS

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Abbey Unit Tst Mngrs (1000)H						
80 Holdenhurst Rd. Bournemouth 0345 717373						
High Income						
American Income	6	46.84	46.84	50.09	+0.37	6.93
Gilts & Fixed Int.	6	113.2	113.2	120.0	-0.2	9.58
High Inc Equity	6	137.4	141.0	150.0	+0.4	5.67
Worldwide Bond	6	205.5	205.5	217.8	+0.2	6.89
Capital Growth						
American Growth	6	192.1	192.1	205.4	+2.0	1.28
Asian Pacific	6	123.0	125.6	133.6	+0.2	.15
Assets & Earnings	6	177.7	181.6	193.1	+0.4	2.87
Capital Reserve Acc	0	104.0	104.0	104.0	-0.1	7.30
Capital Reserve Inc	0	82.22	82.22	82.24	-0.05	7.30
Comdty & Energy	6	75.82	[illegible]	81.09	+0.10	.92
1992 Enterprise	6	65.13	[illegible]	69.65	+0.32	3.12
Euro Capital Acc	6	88.12	[illegible]	94.24	+0.32	1.44
Euro Capital Inc	6	84.19	[illegible]	90.04	+0.31	1.44
General	6	174.2	[illegible]	186.3	+0.7	2.68
Japan	6	103.1	[illegible]	110.2	+0.6	
Mastertrust	6	89.66	[illegible]	95.89	+0.70	2.20
UK Growth Acc	6	161.5	[illegible]	172.7	-0.1	2.15
UK Growth	6	103.8	[illegible]	111.0		2.16
US Emerg	6	62.49	[illegible]	66.83	+0.31	
Income &	6	315.5	[illegible]	337.4	+1.5	4.15
Ethical	6	50.43	[illegible]	53.93	+0.26	3.02
International	6	61.21	[illegible]	66.05	+0.18	1.47
Dividend & Growth	6	50.38	[illegible]	54.91	+0.28	5.46
Global Gwth & Sec	6	51.12	[illegible]	54.73	+0.20	1.63
Aberforth Unit Trust Managers Ltd (1600)F						
16 Chester St, Edinburgh EH3 7RA 031 220 0733						
UK Small Cos	0	966.00	966.00	1023.00		
Abtrust Unit Trust Managers						
10 Queens Terrace, Aberdeen AB9 1QJ						
Amer Inc & Growth	5¼	28.35	28.35	[illegible]		
Cash		50.60	50.60	[illegible]		
European	5¼	72.41	72.41	[illegible]		
European Income	5¼	74.66	75.10	[illegible]		
Exempt	1	760.5	760.5	[illegible]		
Exempt Income	3¼	175.9	175.9	[illegible]		
Exempt American	3¼	339.1	339.1	[illegible]		
Exempt Pacific	3¼	226.1	226.1	[illegible]		
Extra Income	5¼	40.73	40.73	[illegible]		
Far East Emerg Econ	5¼	51.18	51.18	[illegible]		
Fund Inv Tst	5	113.4	115.4	[illegible]		
Fund Inv Tst Acc	5	180.6	183.6	[illegible]		
Gilt & Fixed Int	5¼	16.56	16.75	[illegible]		
Japan	5¼	165.4	168.4	[illegible]		
Pacific	5¼	36.47	36.49	[illegible]		
Property Share	5¼	55.04	56.96	[illegible]		
Smaller Companies	5¼	38.73	38.73	[illegible]		
UK Growth	5¼	34.58	34.58	[illegible]		
World Growth	5¼	47.77	47.77	[illegible]		
Acorn Unit Trust Managers						
1 White Hart Yd, London Bridge SE1						
Ethical Tst	5	102.6	102.6	[illegible]		
Ethical Tst Acc	5	105.2	105.2	[illegible]		
Acuma Fund Managers Ltd (1000)F						
5 Rayleigh Rd, Hutton, Essex 0277 690336						
UK Equity Income	6¼	62.12	63.24	67.27	+0.33	5.40
UK Equity Growth	6¼	56.31	57.43	61.09	+0.3	6.00
European	6¼	43.28	43.87	46.67	+0.1	2.70
Nth American	6¼	44.33	45.08	47.95	+0.35	5.00
Far Eastern	6¼	39.79	40.36	42.93	-0.03	1.60
Fixed Interest	6¼	54.12	54.20	57.65	-0.06	12.50
Index Linked Gilt	6¼	52.06	52.17	55.49	+0.03	3.40
Money	0	55.91	55.91	55.91	+0.04	11.75
Aegis Unit Tst Mngmt Ltd (1400)F						
94 Whiteladies Rd, Bristol, BS8 1QX 0272 237593						
Intl Growth	6	54.77	54.77	[illegible]		1.50
Intl Growth Acc		56.10	56.10	[illegible]		1.50
Managed Income Inc	3	46.41	46.41	[illegible]		
Managed Income Acc	3	49.97	49.97	[illegible]		
[illegible]	5	42.24	43.19	[illegible]		1.82
[illegible]	5	44.44	45.43	[illegible]		1.82
Premier Performers	6	49.89	50.20	[illegible]		1.60
Premier Performers Acc	6	50.37	50.68	[illegible]		1.60
Global Sector P'folio	6	39.55	40.47	[illegible]		3.00
Global Sect P'folio Acc	6	42.50	43.49	[illegible]		3.00
IPS Portfolio	6	53.94	54.25	[illegible]		2.00
IPS Portfolio Acc	6	54.53	54.85	[illegible]		2.00

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Brewin Dolphin Unit Tst Mgrs Ltd (0905)F						
5 Giltspur St, London EC1A 9DE 071-236 6464						
Brewin Capital	5¼	130.6	130.6	139.6	[illegible]	[illegible]
Brewin Dividend	5¼	63.29	63.29	67.[illegible]	[illegible]	[illegible]
Brewin Int Cth Inc	5¼	159.3	159.3	170.[illegible]	[illegible]	[illegible]
Brewin UK & Gen	5¼	33.19	33.40	35.[illegible]	[illegible]	[illegible]
Britannia Life Unit Managers Ltd						
190 West George St, Glasgow G2 2PA 041-332 3132						
Balanced Growth	6	76.37	76.73	82.06	+0.43	5.15
Do (Accum)	6	80.72	81.10	86.74	+0.45	5.15
Service Cos	6	64.01	64.01	68.46	+0.25	1.95
Do (Accum)	6	66.64	66.64	71.27	+0.26	1.95
Income Growth	6	48.00	48.00	51.34	+0.29	4.36
Do (Accum)	6	65.47	65.47	70.02	+0.31	4.36
Higher Yield	6	33.23	33.23	35.54	+0.20	4.49
Do (Accum)	6	41.64	41.64	44.53	+0.25	4.49
American Gth Inc	6	30.43	30.43	32.54	+0.21	1.51
Do (Accum)	6	31.01	31.01	33.16	+0.22	1.51
European Growth	6	25.90	25.99	27.80	+0.17	1.55
Do (Accum)	6	26.39	26.49	28.33	+0.17	1.55
Global Bond Inc	6	22.51	22.51	24.07	+0.12	6.28
Do (Accum)	6	25.31	25.31	27.07	+0.14	6.28
Managed P'folio Inc	6	24.92	25.01	26.75	+0.18	
Do Accum	6	24.92	25.01	26.75	+0.18	
Brown Shipley & Co Ltd (1000)F						
9-17 Perrymount Rd Haywards Hth 0444 412261/3/4/5						
Mngd P'folio Inc	6	83.39	83.39	88.81	-0.03	2.34
Mngd P'folio Acc	6	151.6	151.6	[illegible]		
UK General	6	119.6	119.6	[illegible]		
Conv & General	6	19.03	19.03	[illegible]		
European Inc	6	20.42	20.42	[illegible]		
European Acc	6	20.87	20.87	[illegible]		
Exempt	3	290.5	290.5	[illegible]		
Financial	6	117.4	117.4	[illegible]		
German	6	35.47	35.47	[illegible]		
High Income	6	69.57	69.57	[illegible]		
CCF Foster Braithwaite UT Mngt (1100)F						
1 White Hart Yard, London SE1 1NX 071-407 5966						
Short Dated Gilt	1¼	60.31	60.31	61.18	-0.02	7.48
CCL Unit Trusts Ltd (1400)F						
74 Shepherds Bush Green, W12 8SQ 081-740 7070						
UK General Tst	5¼	53.94	[illegible]	58.68	+0.29	[illegible]
Global Tst	5¼	40.76	[illegible]	43.87	+0.61	[illegible]
Recovery Tst	5¼	50.16	[illegible]	54.77	+0.14	[illegible]
CIBC Unit Tst Managers plc (1200)H						
Cottons Ctr, Cottons Lane, Ldn. SE1 2QL 071 234						
Growth Fd Acc	5	134.5	136.2	143.7	[illegible]	[illegible]
CIS Unit Managers Ltd (1000)F						
PO Box 105, Manchester M60 0AH 061 837						

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Commercial Union Tst Mgrs – Contd.						
PPT Hong Kong	6	[illegible]	[illegible]	47.61	-0.58	1.78
PPT Japan	6	[illegible]	[illegible]	116.44	+1.08	0.91
PPT UK	6	[illegible]	[illegible]	107.77	+0.98	3.53
PPT US	6	[illegible]	[illegible]	97.73	-0.27	1.45
PPT Canada	6	[illegible]	[illegible]	47.39	-0.07	0.00
PPT Commodities	6	[illegible]	[illegible]	30.31	-0.23	4.39
PPT Gold	6	[illegible]	[illegible]	32.31	-0.57	0.00
PPT S'pore & Malaya	6	[illegible]	[illegible]	71.07	-0.03	0.00
PPT Global Bond	6	[illegible]	[illegible]	60.06	-0.11	4.15
PPT Investment	6	[illegible]	[illegible]	85.34	-0.35	7.18
PPT Thai	6	[illegible]	[illegible]	50.33	+1.61	0.00
PPT Cash	0	[illegible]	[illegible]	80.46	+0.06	11.25
Confederation Funds Mngt Ltd (1200)F						
Lytton Way, Stevenage, Herts SG1 2NN 0438						
Consistent Unit Tst Mgmt Co Ltd						
1 White Hart Yd, London Bridge SE1 1NX						
Consistent UT	5	26.02	26.02	27.97	[illegible]	[illegible]
Co-op Pension Fds UT Mngrs Ltd (1000)F						
78-80 Cornhill, London EC3V 3NJ						
Equity Dist Apr 15	0	694.0	694.0	708.0	[illegible]	[illegible]
Equity Acc Apr 15	0	1529.8	1529.8	1560.6	[illegible]	[illegible]
Cornhill Unit Trust Mngrs Ltd (1000)F						
PO Box 136, Beckenham						
Crown Unit Tst Services Ltd (1200)H						
Crown House, Woking GU21 1XW 0483 715033						
Drummond Fund Mangt Ltd (1000)F						
1 White Hart Yd, London Bridge SE1 1NX 071-407 5966						
Dunedin Unit Tst Mngrs Ltd (1400)H						
Rutland Terrace, Edinburgh 031-315 2500						
EFM Unit Tst Mngrs Ltd (1400)H						
4 Melville Crescent, Edinburgh 0345 090 506						

Further listings on this page (GT Unit Managers Ltd, Gartmore Fund Managers, Kleinwort Benson Unit Trusts, Mayflower Management Co, Medical Investments Ltd, MIM Britannia Unit Tst Mgrs, Morgan Grenfell, M & G Securities, NM Unit Trust Mngrs, National Provident Inv Mgrs, Newton Fund Mgrs, Prolific Unit Tst Mgrs, Royal Life Fd Mgmt, Save & Prosper Group, Schroder Unit Trusts, Scottish Amicable, Scottish Equitable, Scottish Widows', Sun Life of Canada and others) are [illegible].

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often well above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time at which the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (●) - 0001 to 1100 hours; (◆) - 1101 to 1400 hours; (▲) - 1401 to 1700 hours; (♣) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071 – 379 – 0444.

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FT MANAGED FUNDS SERVICE

■ Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Swiss Life Unit Tst Man Co Ltd (1200)F						
Admin: 5 Rayleigh Road, Hutton, Brentwood, Essex						
Enquiries: 0277 227300 Dealing: 0277 261010						
Equity Dist	5½	429.1	436.8	462.2	+3.9	3.41
Equity Acc	5½	596.8	607.4	642.8	+5.3	3.41
Fixed Int Dist	5½	114.0	116.1	120.3	+0.8	8.43
Fixed Int Acc	5½	242.5	247.0	256.0	+1.7	8.43
UK Index Track Dist	5	99.81	100.7	106.6	+1.0	4.03
UK Index Track Acc	5	104.4	105.4	111.5	+1.0	4.03
TSB Unit Trusts (1200)H						
Charlton Pl, Andover, Hants. SP10 1RE 0264 346794						
TSB American	6	134.07	134.07	142.62	+1.24	0.38
Do Accum	6	146.55	146.55	155.9	+1.35	0.38
TSB Brit Growth	6	74.39	75.62xd	80.44	+0.87	3.24
Do Accum	6	83.32	84.7xd	90.1	+0.97	3.24
TSB European	6	74.08	74.48	79.23	+0.84	0.97
Do Accum	6	76.77	77.18	82.1	+0.87	0.97
TSB Extra Income	6	165.3	168.91	179.69	+0.96	6.06
Do Accum	6	238.36	243.58	259.12	+1.38	6.06
TSB Smaller Cos	6	44.89	46.63xd	49.6	+0.11	2.63
Do Accum	6	47.5	49.35xd	52.49	+0.12	2.63
TSB General	6	231.4	231.4	246.17	+2.36	3.4
Do Accum	6	431.77	431.77	459.32	+4.38	3.4
TSB Premier Income	5	44.67	45.28	47.36	+0.01	8.29
Do Accum	5	79.94	81.03	84.4	+0.02	8.29
TSB Income	6	309.53	315.39	335.52	+2.87	4.8
Do Accum	6	575.41	586.31	623.73	+5.32	4.8
TSB Pacific	6	233.59	233.59	248.5	+1.26	0.46
Do Accum	6	243.05	243.05	258.56	+1.98	0.46
TSB International	6	393.68	393.68xd	418.8	+1.18	0.84
Do Accum	6	507.68	507.68xd	540.08	+4.39	0.84
TSB Nat Resources	6	63.58	63.58xd	67.63	+0.3	0.39
Do Accum	6	69.27	69.27xd	73.69	+0.4	0.39
TSB Spcl Opps	6	79.62	80.46xd	85.59	-0.55	3.02
Do Accum	6	95.92	96.93xd	103	-0.67	3.02
Environmental Inv	6	47.48	47.95	51	-0.28	1.95
Do Accum	6	48.99	49.48	52	-0.29	1.95
TSB Selector	6	49.35	50.16	53	+0.35	3.75
Do Accum	6	50.65	51.7	54	+0.36	3.75
TSB High Income	6	[illegible]	52.8	56	[illegible]	6.98
Do Accum	6	[illegible]	54.21	57	[illegible]	6.98
TSB Intl Income	6	[illegible]	49.65	52	[illegible]	6.97
Do Accum	6	[illegible]	51.63	54.92	+0.27	6.97
TSB Selector Income	6	[illegible]	32.08	35.4	+0.29	5.96
Do Accum	6	[illegible]	92.08	95.4	+0.29	5.96
Target Trust Mngrs Ltd [illegible]						

	Bid Price	Offer Price	+ or -	Yield Gross
M & G Securities Ltd				
Charibond	102.31	102.32	----	10.54
(Accum Units)	557.17	557.17	+0.1	10.54
NAACIF Apr 10	-	43.54	----	9.33
Morgan Grenfell Unit Trust Managers Ltd				
Exempt Funds				
UK Equity † Apr 9	130.5	139.7	----	2.80
UK Small Co † Apr 9	516.9	557.0	----	1.92
Fixed Interest † Apr 9	108.5	114.2	----	7.79
US Small Co Apr 9	147.7	150.0	----	0.00
Managed Apr 9	108.2	115.0	----	1.25
Intl Bond Apr 9	112.2	118.4	----	7.72
Japan Apr 9	75.30	80.60	----	0.84
European Apr 9	85.55	91.66	----	1.61
Nth American Apr 9	104.2	111.8	----	1.26
Murray Johnstone UT Mngmt				
Murray Exempt Funds				
Amer Expt Apr 10	49.21	51.18	----	2.78
Euro Expt Apr 10	50.54	53.08	----	2.16
Fixed Int Ex Apr 10	46.91	48.07	----	10.28
Japan Expt Apr 10	46.25	48.10	----	0.55
Managed Ex Apr 11	44.71	46.52xd	----	4.34
SE Asia Expt Apr 10	68.98	72.42xd	----	3.70
Sm Cos Expt Apr 10	33.64	35.32	----	4.42
UK Eqty Ex Apr 10	42.76	44.89	----	3.75
Phillips & Drew Fund Management Ltd				
Small Co's Apr 2	707.1	752.0xd	----	4.5
Do Accum	798.8	849.4	----	4.5
Int Expt Apr 10	171.7	175.1	----	2.59
UK Index Apr 2	1160.0	1183.0xd	----	4.9
Do Accum	1249.0	1273.0	----	4.9
Convertible Apr 5	94.79	97.38xd	----	7.87
World ex UK Index Apr 8	797.6	807.4	----	1.86
Do Accum	797.6	807.4	----	1.86
Japan Index Apr 8	633.9	642.6	----	0.59
Do Accum	635.5	644.1	----	0.59
USA Index Apr 8	966.6	972.3	----	3.10
Do Accum	990.4	996.2	----	3.10
Europe ex UK Index Apr 1	875.9	896.0	----	2.75
Do Accum	895.8	916.2	----	2.75
Pacific ex Jap Index Apr 8	914.5	940.3	----	4.26
Do Accum	948.6	975.2	----	4.26
Managed Exempt Apr 10	104.7	[illegible]	----	5.75

INSURANCES

	Bid Price	Offer Price	+ or -	Yield Gross
Allied Dunbar Assurance Plc—Contd.				
Baring Funds				
Pen Eqy Cap	30.7	32.4	+0.2	-
Pen Eqy Acc	34.2	36.0	+0.2	-
Pen Am Eq Cap	35.1	37.0	+0.5	-
Pen Am Eq Acc	39.0	41.1	+0.6	-
Pen Far East Cap	30.3	31.9	+0.3	-
Pen Far East Acc	33.6	35.4	+0.3	-
Pen Euro Cap	39.8	41.9	+0.1	-
Pen Euro Acc	44.2	46.6	+0.2	-
James Capel Funds				
Pen Eqy Cap	29.5	31.1	----	-
Pen Eqy Acc	32.7	34.5	----	-
Pen Am Eq Cap	30.2	31.8	+0.1	-
Pen Am Eq Acc	33.6	35.4	+0.2	-
Pen Far East Cap	31.3	33.0	+0.3	-
Pen Far East Acc	34.8	36.7	+0.4	-
Pen Euro Cap	33.4	35.2	----	-
Pen Euro Acc	37.2	39.2	+0.1	-
Ambassador Life Assce. Co Ltd				
[illegible], Bournemouth 0202 292345				
[illegible]	168.0	[illegible]	+0.8	-
American Life Insurance Co UK				
2-8 Altyre Road, Croydon CR9 2LA 081-680 [illegible]				
Life Funds (Accumulation Units)				
Premier Managed(z)	156.6	164.9	----	-
Alpha Managed(z)	99.7	105.0	-0.3	-
HICA Managed(z)	93.8	98.5	----	-
Pension Funds (Accumulation Units)				
Premier Managed(z)	187.9	197.9	+0.1	-
Alpha Managed(z)	109.0	114.8	-0.5	-
Avon Insurance Plc				
Tiddington Rd, Stratford-upon-Avon [illegible] 0789 204211				
Bonus Fund	161.7	[illegible]	----	-
City of Westminster Assurance (z)				
PO Box 469, 500 Avebury Blvd, Milton Keynes MK9 2NU				
Current Series				
Property Fund	207.2	218.1	----	-
Secure Gwth Fund	313.7	330.3	+0.4	-
Managed Fund	447.8	471.4	+0.3	-
Equity Fund	253.0	266.4	----	-
Pension Managed Fund	529.7	557.6	+1.8	-
Pension Equity Fund	262.2	276.0	-0.2	-
Pens Adventurous Mgd	215.9	227.3	+2.3	-
Pensions Balanced Mgd	210.4	221.5	-0.1	-
Pens Conservative Mgd	179.9	189.4	+0.2	-
Adventurous Mngd Fd	166.2	175.0	+0.6	-
Balanced Mngd Fd	176.8	186.2	-0.1	-
Conservative Mngd Fd	173.4	182.6	----	-
Clerical Medical/Fidelity Investments				
Narrow Plain, Bristol BS2 0JH 0272 290566				
Investment Funds				
Ruby	112.1	118.0	+0.7	-
Sapphire/Mixed	208.8	219.8	+1.4	-
Emerald	111.7	117.6	-0.1	-
Equity	247.8	260.9	+2.2	-
Property	183.0	192.7	----	-
Gilt & Fixed Interest	150.7	158.7	-0.6	-
Indexed Securities	130.3	137.2	----	-
Cash	154.9	163.1	+0.2	-
North American	143.8	151.4	+1.1	-
Far East	202.6	213.3	+1.4	-
International	159.6	168.1	+1.3	-
Special Situations	209.8	220.9	+0.4	-
International Income	216.3	227.7	+1.3	-
American Income	125.0	131.6	+1.3	-
European	218.2	229.7	+1.7	-
South East Asia Fund	180.2	189.7	+0.4	-
Japan Fund	128.1	134.9	+1.0	-
Evergreen	90.8	95.6	+1.0	-
Homeinvestor W-P Reg	122.7	129.2	----	-
Homeinvestor W-P Sav	122.7	129.2	----	-
Flexible Retirement Plan				
Mixed	214.9	226.2	[illegible]	-
Equity	264.0	277.9	[illegible]	-
Property	156.2	164.5	[illegible]	-
Gilt & Fixed Interest	168.7	177.6	[illegible]	-
Indexed Linked	140.1	[illegible]	[illegible]	-
Cash	192.5	[illegible]	[illegible]	-

Eagle Star Insur./Midland Assur.
60 St. Mary Axe, London EC3 071-929 1111
Eagle/Mid. Units 209.1 210.5 +1.1 4.35

Economic Insurance Company Ltd
London Rd, Sittingbourne, ME10 1PE 0795 424321

Guardian Royal Exchange—Contd.

Liberty Life Assurance Co Ltd
Station Rd, New Barnet 081-440 8210

Merchant Investors Assurance Co Ltd—Contd.

OTHER UK UNIT TRUSTS

Continued on next page

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[illegible] Life Assurance Ltd

[illegible] Row, London, WC1R 4UJ 071-430 2348

	Bid Price	Offer Price	+ or -	[illegible]
[illegible] Fd	105.5	111.1	+0.5	-
[illegible] Fd	103.1	108.6	+0.8	-
[illegible] Fd	106.0	111.6	+0.1	-
[illegible] Fd	110.7	116.5	+0.1	-

National Financial Management Corp PLC

72 Gatehouse Rd, Aylesbury, HP19 3XJ 0296 395539

	Bid Price	Offer Price	+ or -	[illegible]
Life Funds				
Managed Cautionary	112.6	122.7	---	-
Managed Growth	138.5	151.4	+0.3	-
Managed Opportunity	136.8	150.4	+0.4	-
NFMC Target Financial	103.0	110.8	+0.1	-
Pension Funds				
Managed Cautionary	120.2	131.4	+0.1	-
Managed Growth	145.1	158.6	+0.3	-
Managed Opportunity	137.8	150.7	+0.3	-
NFMC Target Mngd Pen	1511.4	1642.9	+9.1	-

National Mutual Life

The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

	Bid Price	Offer Price	+ or -	[illegible]
Harvester Pension Funds				
Managed	161.2	169.7		-
[illegible]	172.7	180.8		-
[illegible]	131.6	138.6		-
[illegible]	143.9	151.5		-
[illegible]	130.8	137.7		-
[illegible]	147.3	155.1		-
[illegible]	153.8	161.9		-
[illegible]	127.1	133.8		-

National Provident Institution

[illegible] St, London EC3P 3HH 071-623 4200

	Bid Price	Offer Price	+ or -	[illegible]
[illegible]	352.8	[illegible]	+1.9	-
UK Equity	451.4	[illegible]	[illegible]	-
Overseas Eq	341.6	[illegible]	[illegible]	-
Americas	275.0	[illegible]	[illegible]	-
Far East	373.1	392.8	[illegible]	-
Property	193.9	204.2	[illegible]	-
Fixed Int	256.7	270.3	[illegible]	-

Prosperity Life Assurance Ltd

1 Sessions Hse Sq, Maidstone ME14 1XX 0622 690555

	Bid Price	Offer Price	+ or -	[illegible]
Initial Equity	156.5	165.0	+1.0	-
Accum Equity	222.0	234.5	+2.0	-
Accum Managed	228.0	240.5	+1.0	-
Accum Five Star	170.0	179.0	-	-
Accum World	123.0	130.0	+0.5	-
Accum Lifetime	113.4	113.4	+0.3	-
Pens Acc Equity	242.5	256.0	+2.5	-
Pens Acc Managed	286.0	301.5	+2.0	-
Pens Acc Intl	209.5	221.0	+1.5	-
Pens Acc Deposit	195.5	206.0	[illegible]	-
Pens Acc Five Star	187.0	197.0	[illegible]	-

Providence Capital Life Assc. Co Ltd

2 [illegible], Hook, Hants RG27 9XA 0256 768888

	Bid Price	Offer Price	+ or -	[illegible]
UK Equity Acc	231.0	243.7	+1.4	-
UK Fixed Int Acc	170.0	179.4	+0.1	-
Intl Equities Acc	177.7	187.5	+1.5	-
UK Managed Acc	175.2	184.8	+0.9	-
Property Acc	226.9	239.4	+1.3	-
Money Acc	127.6	134.6	+0.1	-
Special Market Acc	133.3	140.7	+1.2	-
Japan Equity Acc	109.0	115.0	+1.4	-
North American Acc	103.7	109.4	+1.1	-
Pacific Acc	93.5	98.7	+0.4	-
Technology Acc	123.4	130.2	+2.9	-
Nat Resources Acc	54.4	57.4	-0.6	-
European Acc	100.5	106.1	+0.4	-
Residential Prop Acc	96.3	101.6	---	-
Swiss Equities Acc	35.6	37.6	+0.3	-
Hong Kong Acc	61.2	64.6	-0.4	-
UK High Inc Eq Acc	76.6	80.9	+0.6	-
Int Fixed Interest Acc	55.5	58.6	-0.1	-
Int Managed Acc	56.6	59.7	+0.4	-
HIP Managed Acc	112.3	118.4	-0.2	-
HIP Managed II Acc	99.3	104.7	+0.6	-
HIP Managed III Acc	105.1	110.8	+0.6	-
Total Investment Bond				
UK Equity [illegible]		157.5	[illegible]	-
UK Fixed Int [illegible]		116.2		-
Intl Equities [illegible]		120.5	[illegible]	-
UK Managed [illegible]		119.7		-
Property Initial		156.2		-
Money Initial		87.5		-

[illegible]

Norwich Union Asset Management Ltd

[illegible]

Norwich Union Life Insurance Soc.

[illegible]

Pearl Assurance (Unit Funds) Ltd

[illegible]

Pegasus Assurance Ltd

[illegible]

Premium Life Assurance Co Ltd

[illegible]

Professional Life Assurance Co Ltd

[illegible]

Prolific Life & Pensions Ltd

[illegible]

Property Equity & Life Ass. Co

[illegible]

Provident Life Assoc Ltd

[illegible]

Provident Mutual Life Assc. Assn.

[illegible]

Prudential Assurance Co

[illegible]

Prudential Holborn Life Ltd

[illegible]

Prudential Holborn Pensions Ltd

[illegible]

Prudential Pensions Limited

[illegible]

Regency Life Assurance Co Ltd

[illegible]

Reliance Mutual

[illegible]

Royal Heritage Life Assurance Ltd

[illegible]

Royal Heritage Life Assurance Ltd—Contd.

[illegible]

Royal Life Insurance Ltd

[illegible]

Royal Liver Assurance

[illegible]

Save & Prosper Group

[illegible]

Scottish Equitable Life Assce. Soc.

[illegible]

Scottish Life Investments

[illegible]

Scottish Mutual Assurance Society

[illegible]

Scottish Mutual Investments

[illegible]

Scottish Provident Institution

[illegible]

Scottish Widows' Group

[illegible]

Shield Assurance Ltd

[illegible]

Skandia Life Assurance Co Ltd

[illegible]

Standard Life Assurance Company

[illegible]

Sun Alliance Group

[illegible]

Sun Life of Canada (UK) Ltd

[illegible]

Sun Life Unit Assurance Ltd

[illegible]

Swiss Life (UK) PLC

[illegible]

Swiss Pioneer Life Plc

[illegible]

TSB Life Ltd

[illegible]

Target Life Assurance Co Ltd

[illegible]

Tunbridge Wells Equitable

[illegible]

Templeton Life Assurance Limited

[illegible]

Wesleyan Assurance Society

[illegible]

Windsor Life Assur Co Ltd

[illegible]

Westwich Life Assurance Co Ltd

[illegible]

Zurich Life Assurance Co Ltd

[illegible]

OFFSHORE INSURANCES

Albany International Assurance Ltd

[illegible]

CMI Insurance Co Ltd

[illegible]

Equitable Life (International)

[illegible]

Hansard International Ltd

[illegible]

Royal Skandia Life Assurance Ltd

[illegible]

Sun Alliance International Life

[illegible]

MANAGEMENT SERVICES

The Analysis Group PLC

[illegible]

Atticus Investment Services Ltd

[illegible]

Bryan Wells & Partners Ltd

[illegible]

James Capel Fd Mgrs (C.I.) Ltd

[illegible]

Chase de Vere PLC

[illegible]

Edinburgh Money Management Ltd

[illegible]

Fairmount Glen Reijs Ltd

[illegible]

Gartmore Fund Managers Ltd

[illegible]

Johnson Fry Financial Services Ltd

[illegible]

Knight Williams & Company Ltd

[illegible]

Mackertey & Dowie F.S. Ltd

[illegible]

Northam Bings & Partners

[illegible]

PBR Fund Management Ltd

[illegible]

Pendleton May Financial Services Ltd

[illegible]

Seabrook Financial Management Ltd

[illegible]

Sittals Fund Managers Limited

[illegible]

Tattersall Investment Mngt. Ltd

[illegible]

Towry Law & Co

[illegible]

J.R. Ward Financial Services Ltd

[illegible]

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Orion Fund Limited

[illegible]

CANADA (SIB RECOGNISED)

Ivory & Sime Pembroke Inc

[illegible]

GUERNSEY (SIB RECOGNISED)

Adams & Neville Fd Mngmt (Guernsey) Ltd

[illegible]

BBV-Hambros Asset Mngmt (Guernsey) Ltd

[illegible]

Baring Intl Fd Managers (Guernsey) Ltd

[illegible]

Gartmore Invest Managers (Guernsey) Ltd

[illegible]

Guinness Flight Fd Mngrs (Guernsey) Ltd

[illegible]

Hambros Fd Mgrs (CI) Ltd

[illegible]

Leopold Joseph Fund Mngmt (Guernsey) Ltd

[illegible]

Kleinwort Benson Intl Fd Mngrs Ltd

[illegible]

Lazard Fund Mngrs (Channel Islands) Ltd

[illegible]

Lion World Fixed Income Fund

[illegible]

Lloyds Bank Money Market Fund Ltd

[illegible]

M & G (Guernsey) Ltd

[illegible]

Prolific International Mngmt Ltd

[illegible]

Rothschild Asset Management (CI) Ltd

[illegible]

Royal Bank of Canada Funds

[illegible]

Sarasin Funds Mngmt (Guernsey) Ltd

[illegible]

Schroder Investment Mngmt (Guernsey) Ltd

[illegible]

GUERNSEY (REGULATED)

Adams & Neville Fund Mngt (Guernsey) Ltd

[illegible]

Arab Bank Fund Managers (Guernsey) Ltd

[illegible]

Bachmann Global Investment Fund Ltd

[illegible]

Credit Suisse Asset Mngmt (Guernsey) Ltd

[illegible]

Dartrust Management (Guernsey) Ltd

[illegible]

Fleet-Cassell Fund Mngrs (Guernsey) Ltd

[illegible]

John Govett Mngmt International Ltd

[illegible]

Hambros Fund Managers (CI) Ltd

[illegible]

Hill Samuel Fd. Mngrs. (Guernsey) Ltd

[illegible]

Holborn Fund Management

[illegible]

Kleinwort Benson Intl Fd Mngrs Ltd

[illegible]

Kleinwort Benson Islamic Fd Mngmt Ltd

[illegible]

Lazard Fund Managers (CI) Ltd

[illegible]

Merrill Lynch Guernsey

[illegible]

Nikko Capital Mngt (Europe) Ltd

[illegible]

Small International (Guernsey) Ltd

[illegible]

Schroder Investment Mngmt (Guernsey) Ltd

[illegible]

Stonehage Fund Mngrs Ltd

[illegible]

هكذا من الاصل

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IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Fed action fails to lift dollar

THE DOLLAR fell yesterday despite an indication from the US Federal Reserve that it has not eased its monetary stance.

The Fed drained reserves from the New York banking system via matched sale and repurchase agreements, when Federal funds were trading at 5¾ per cent, well below the assumed target level of 6 per cent.

This also came about an hour earlier than usual, which was taken as a signal that the Fed is underlining the present interest rate structure and has not been encouraged to ease policy by the news on Friday that US year-on-year inflation had fallen below 5 per cent in March.

A further fall in US interest rates is not ruled out however,and this encouraged the market to test the dollar's downside yesterday. Opinion suggests [illegible] looking [illegible] pick [illegible] dollars below the present value if there is another cut in US rates, believing that any further easing by the Fed is likely to be the last in this economic cycle.

At the close of trading in London the dollar had fallen to [illegible] from DM1.6845; to [illegible] from Y136.25; to SFr1.4230 from SFr1.4275; and to FFr5.6550 from FFr5.6900.

On Bank of England figures the dollar's index declined to 64.3 from 64.8.

The D-Mark improved against the dollar, but lost ground to the Japanese yen as speculation faded that the Bank of Japan is about to cut its discount rate.

Mr Neil MacKinnon, chief economist at Yamaichi in London, notes that inflation in Japan has not yet established a convincing peak and that deceleration in the economy will not be sharp enough to warrant a relaxation of monetary policy until the middle of the year.

Economists at Nomura Research Institute agreed that present monetary policy is likely to be maintained, with the Bank of Japan still worried about the underlying rate of inflation and the high ratio of money supply growth to gross national product.

With the D-Mark under a cloud created by the unification of Germany and growing unrest in the Soviet Union, the German currency fell to Y80.25 from Y80.90. Dealers expect the D-Mark to test support at Y80.00 in the very near future, amid fear that a fall though that level would prompt a reassessment of European currency risks by Japanese investors.

Sterling bounced off a high of DM3.00, but finished higher against the D-Mark, despite Friday's cut in UK bank base rates.

The pound remained the second strongest member of the European exchange rate mechanism, rising to DM2.9975 from DM2.9950 and closing unchanged at FFr10.1150. It gained 1.15 cents to $1.7890 and also rose to SFr2.5450 from SFr2.5375, but fell to Y240.50 from Y242.25. Sterling's index climbed 0.3 to 93.3.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Apr 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7780 - 1.7970	1.7885 - 1.7895	0.89-0.87cpm	5.90	2.55-2.52pm	5.67
Ireland†	1.5895 - 1.6040	1.5990 - 1.6000	0.53-0.48cpm	3.79	1.52-1.42pm	3.68
Canada	1.1480 - 1.1515	1.1490 - 1.1500	0.34-0.37cdis	-3.71	0.95-1.00dis	-3.39
Netherlands	1.8765 - 1.8950	1.8870 - 1.8880	0.49-0.52cdis	-3.21	1.47-1.52dis	-3.17
Belgium	34.25 - 34.55	34.25 - 34.35	8.50-10.00cdis	-3.24	24.00-28.00dis	-3.03
Denmark	6.3900 - 6.4400	6.3900 - 6.3950	2.00-2.40oredis	-4.13	5.90-6.50dis	-3.88
Germany	1.6655 - 1.6825	1.6750 - 1.6760	0.43-0.45pfdis	-3.15	1.28-1.31dis	-3.09
Portugal	144.95 - 145.50	144.95 - 145.05	65-75cdis	-5.79	240-270dis	-7.03
Spain	102.65 - 103.70	102.90 - 103.00	63-67cdis	-7.58	182-190dis	-7.23
Italy	1234.00 - 1245.85	1239.75 - 1240.25	5.50-6.00liredis	-5.56	16.30-17.30dis	-5.42
Norway	6.4800 - 6.5370	6.4800 - 6.4850	2.45-2.80oredis	-4.86	6.70-7.20dis	-4.29
France	5.6200 - 5.6785	5.6525 - 5.6575	1.48-1.53cdis	-3.19	4.43-4.53dis	-3.17
Sweden	6.0130 - 6.0590	6.0150 - 6.0200	2.93-3.18oredis	-6.09	9.15-9.60dis	-6.23
Japan	133.95 - 135.30	134.40 - 134.50	0.24-0.26ydis	-2.23	0.61-0.64dis	-1.86
Austria	11.7680 - 11.8325	11.7775 - 11.7825	2.80-3.20grodis	-3.06	8.70-9.90dis	-3.16
Switzerland	1.4125 - 1.4285	1.4225 - 1.4235	0.29-0.32cdis	-2.57	0.84-0.89dis	-2.43
Ecu	1.2280 - 1.2380	1.2325 - 1.2335	0.35-0.33cpm	3.31	1.02-0.99pm	3.26

Commercial rates [illegible] London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and [illegible] the US dollar and not to the individual currency.

POUND SPOT - FORWARD AGAINST THE POUND

Apr 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7780 - 1.7970	1.7885 - 1.7895	0.89-0.87cpm	5.90	2.55-2.52pm	5.67
Canada	2.0485 - 2.0605	2.0595 - 2.0605	0.42-0.34cpm	2.21	1.26-1.13pm	2.32
Netherlands	3.3715 - 3.3825	3.3725 - 3.3825	⅞-⅝cpm	2.89	2¼-2pm	2.52
Belgium	61.30 - 61.65	61.30 - 61.40	16-12cpm	2.74	46-37pm	2.71
Denmark	11.4900 - 11.4885	11.4300 - 11.4400	2¼-1¼orepm	1.90	6-4¾pm	1.90
Ireland	1.1160 - 1.1260	1.1190 - 1.1200	0.20-0.15cpm	1.88	0.53-0.43pm	1.72
Germany	2.9935 - 3.0000	2.9950 - 3.0000	¾-⅝pfpm	2.75	2-1¾pm	2.59
Portugal	258.80 - 260.55	258.90 - 259.90	9-30cdis	-0.90	99-116dis	-1.35
Spain	184.05 - 184.95	184.35 - 184.65	22-28cdis	-1.63	68-78dis	-1.58
Italy	2215.30 - 2221.75	2217.75 - 2218.75	1¼-¼lirepm	0.41	3¼-⅞pm	0.36
Norway	11.5925 - 11.6580	11.5925 - 11.6025	2⅜-1⅞orepm	1.94	4¾-3¾pm	1.49
France	10.0990 - 10.1200	10.1100 - 10.1200	2⅞-2⅛cpm	2.67	6¾-6¼pm	2.55
Sweden	10.7600 - 10.8070	10.7600 - 10.7700	⅛pm-⅞oredis	-0.42	⅝-1⅞dis	-0.49
Japan	240.00 - 241.40	240.00 - 241.00	⅞-⅝ypm	4.05	2⅝-2⅜pm	3.85
Austria	21.05 - 21.09	21.06 - 21.09	5¾-4⅝gropm	3.06	14¼-12⅝pm	2.60
Switzerland	2.5310 - 2.5500	2.5400 - 2.5500	¾-⅝cpm	3.24	2-1⅞pm	3.05
Ecu	1.4475 - 1.4530	1.4500 - 1.4510	0.36-0.30cpm	2.69	0.93-0.86pm	2.47

[illegible] towards the end of London trading. Six-month forward dollar 4.64-4.59cpm . 12 Month 7.69-7.59pm

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Apr 15	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	127.179	-4.83	6.16	84
Sterling	0.696904	0.689353	-1.08	2.14	20
Italian Lira	1538.24	1529.08	-0.60	1.64	37
Belgian Franc	42.4032	42.4310	0.07	0.97	5
Dutch Guilder	2.31643	2.32622	0.42	0.61	-13
D-Mark	2.05586	2.06401	0.44	0.60	-18
Irish Punt	0.767417	0.771884	0.58	0.45	-19

MONEY MARKETS

No change in Spain

THE BANK of Spain left its money market intervention rate, the main instrument of credit [illegible]licy, unchanged at [illegible] per [illegible] at a repurchase [illegible]er for central bank certificates yesterday.

Friday's consumer price index for March indicated year-on-year inflation was unchanged at 5.9 per cent. [illegible] better than forecast, but the underlying rate was still around 7.5 per cent. Nevertheless, the strength of the peseta in the ERM had encouraged hopes that the Bank of Spain might cut its intervention rate.

Overnight money firmed to 13.69 from 13.585 per cent after the tender and one-week funds rose to 13.675 from 13.6125 per [illegible]

In London the short end of the money market showed little movement, but longer rate were firm. Trading was quiet, lacking pressure for any further change, after Friday's cut in bank base rates.

Three-month sterling interbank was quoted [illegible] 11⅝-11⅞ against 11⅝-11⅝ per cent previously. One-year money rose [illegible] 11½-11[illegible] from 11⅞-11⅝ per cent.

The Bank [illegible] England initially forecast a money [illegible] credit shortage [illegible]. This [illegible] to £800m [illegible] noon, and was changed back to £850m in the [illegible]. Total [illegible] £757m was provided.

An early round of help was offered and at that time the authorities bought £393m bills outright, by way of £100m bank bills in band 1 at 11⅞ per cent and £293m bank bills in band 2 at 11⅞ per cent. Before lunch another £204m bank bills were purchased in band 2 at 11⅞ per cent.

In [illegible] afternoon £80m bank bills were bought in band 2 [illegible] 11⅞ per [illegible] and [illegible] assistance [illegible] around £80m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £621m, with exchequer transactions absorbing £675m and bank balances below target £155m. These outweighed a fall in the note circulation adding £600m to liquidity.

In Frankfurt call money rose to 8.80 from 8.75 per cent, ahead of today's terms for this week's securities repurchase agreement tender by the Bundesbank. Dealers expect the central bank to offer one-month money at an unchanged 8.60 per cent, and two-month funds [illegible] variable bid rates.

UK clearing bank base lending rate 12 per cent from April 12, 1991

FT LONDON INTERBANK FIXING

(11.00 a.m. Apr.15) 3 [illegible] US [illegible]		6 months US Dollars	
[illegible] 5⅞	offer 6⅛	bid 6⅛	offer 6¼

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime) — Treasury Bills and Bonds

Prime rate	9	One month	5.48	Three year	7.13
Broker loan rate	7¾	Two month	5.50	Four year	7.31
Fed.funds	5⅝	Three month	5.69	Five year	7.60
Fed.funds at intervention	5¾	Six month	5.87	Seven year	7.83
		One year	6.14	10-year	7.94
		Two year	6.88	30-year	8.11

Apr.15	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	8.75-8.85	8.80-8.95	8.90-9.05	8.95-9.15	9.05-9.25	9.00
Paris	8⅞-9⅛	9⅛-9¼	-	9⅛-9¼	-	9.25
Zurich	7¾-8¼	8¼-8½	-	8¼-8½	-	-
Amsterdam	8.75-8.88	8.96-9.04	-	9.07-9.15	-	-
Tokyo	7⅞-8	8⅛-8⅛	-	7⅞-7⅞	-	-
Milan	11½-12	11½-12	-	11½-12⅛	-	-
Brussels	8.75-8.88	8¾-9	-	9⅛-9¼	-	-
Dublin	8⅞-8⅞	10⅛-10⅜	10⅛-10⅜	10⅛-10⅜	10⅛-10⅜	-

LONDON MONEY RATES

Apr 15	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	13	11¾	12	11⅞	11¾	11½
Interbank Bid	10¾	11⅝	11¾	11⅞	11⅝	11⅜
Sterling CDs	-	-	11⅞	11⅞	11⅝	11⅜
Local Authority Deps.	11¾	12	11⅞	11⅞	11¾	11½
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	11¾	11½	11¾	11½	-	-
Company Deposits	-	-	12	12	11⅞	11⅜
Finance House Deposits	-	-	12	12	11¾	11
Treasury Bills (Buy)	-	-	11⅝	11⅝	10¾	-
Bank Bills (Buy)	-	-	11⅝	11⅞	10⅞	-
Fine Trade Bills (Buy)	-	-	12¼	12⅜	11⅜	-
Dollar CDs	-	-	5.87	5.97	6.15	6.56
SDR Linked Dep. Offer	-	-	7¾	7¾	7⅞	8
SDR Linked Dep. Bid	-	-	7⅝	7⅝	7⅝	7⅞
ECU Linked Dep. Offer	-	-	9⅜	9⅜	9⅛	9⅛
ECU Linked Dep. Bid	-	-	9⅛	9⅛	9⅛	9⅛

Treasury Bills (sell); one-month 11½ per cent; three months 11¼ per cent; six months 10¾ per cent; Bank Bills (sell): one-month 11⅞ per cent; three months 11⅞ per cent; Treasury Bills; Average tender rate of discount 11.2351 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day March 28 ,1991 . Agreed rates for period April 23,1991 to May 25 , 1991, Scheme I: 13.52 p.c., Schemes II & III: 13.71 p.c. Reference rate for period March 1,1991 to March 28 , 1991. Scheme IV&V: 12.472 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 13 from April 1 , 1991: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 8½ per cent; one-three months 11 per cent; three-six months 10½ per cent; six-nine months 10 per cent; nine-twelve months 9½ per cent; Under £100,000 8½ per cent from April 15,1991 . Deposits withdrawn for cash 5 per cent.

FINANCIAL FUTURES AND OPTIONS

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
105	2.21	2.65	-	0.23	0.72	-
106	1.40	-	-	0.45	-	-
107	0.80	-	-	0.85	-	-
108	0.40	0.99	-	1.43	-	-
109	0.19	0.69	1.00	-	-	-
Open Int	114,156	28,572	1,100	119,079	31,634	1,250

Estimated volume 22,658 Total Open Interest 295,791

THREE MONTH ECU
ECU 1m points of 100%

	Close	High	Low	Prev.
Jun	90.61	90.72	90.70	90.69
Sep	90.73	90.81	90.80	90.80
Dec	90.93			90.95
Mar	90.98			91.00

Estimated volume 95 (526)
Previous day's open int. [illegible] (2447)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
Jun	2577.0	2590.0	[illegible]	2558.0
Sep	2617.0	2617.0	[illegible]	2598.0
Dec	2662.0	2656.0	[illegible]	2644.0

Estimated vol[illegible]
Previous day's [illegible] (25723)

EURO SWISS FRANC
SFR 1m points of 100%

	Close	High	Low	Prev.
Jun	91.92	91.97	91.92	91.96
Sep	92.51	92.58	92.52	92.53
Dec	92.73	92.83	92.83	92.78
Mar	93.02			93.07

Estimated volume 789 (1770)
Previous day's open int. 14422 (14137)

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7890	1.7802	1.7637	1.7429	1.7126

IMM-STERLING $s per £

	Latest	High	Low	Prev.
Jun	1.7702	1.7740	1.7662	1.7542
Sep	1.7520	1.7520	1.7456	1.7326
Dec	-	1.7340	-	1.7154

BASE LENDING RATES

	%		%		%
ABN Bank	12	Comm.Bk.of London Plc	12	McDonnell Douglas Bnk.	12
Adam & Company	12	Co-operative Bank	12	Midland Bank	12
Allied Trust Bank	12½	Coutts & Co	12	Mount Banking	12
AIB Bank	12½	Cyprus Popular Bk	12½	Nat Bk. of Kuwait	13½
● Henry Ansbacher	12	Dunbar Bank PLC	12½	NatWestminster	12
B & C Merchant Bank	12	Duncan Lawrie	12	Northern Bank Ltd	12
Bank of Baroda	12	Equatorial Bank plc	12½	Nykredit Mortgage Bank	12½
Banco Bilbao Vizcaya	12	Exeter Bank Limited	12½	Provincial Bank PLC	14
Bank Credit & Comm	12	Financial & Gen. Bank	12½	Roxburghe Bank Ltd.	13½
Bank of Cyprus	12	First National Bank Plc.	15	Royal Bk of Scotland	12
Bank of Ireland	12	● Robert Fleming & Co.	12	● Smith & Williamson Secs.	12
Bank of India	12½	Robert Fraser & Ptnrs.	12½	Standard Chartered	12
Bank of Scotland	12	Girobank	12	TSB	12
Banque Belge Ltd	12	● Guinness Mahon	12	Unibank plc	12
Barclays Bank	12	● Hambros Bank	12	● United Bk of Kuwait	12½
Benchmark Bank	12	Hampshire Trust Plc	13½	United Mizrahi Bank	12½
Brit Bk of Mid East	12	Heritable & Gen Inv Bnk.	12½	Unity Trust Bank Plc	12
● Brown Shipley	12	● Hill Samuel	12	Western Trust	12
CL Bank Nederland	12½	C. Hoare & Co.	12	Westpac Bank Corp.	12½
● Charterhouse Bank	12	Hongkong & Shanghai	12	Whiteaway Laidlaw	12
Citibank NA	12	● Leopold Joseph & Sons	12	Yorkshire Bank	12
City Merchants Bank	12	Lloyds Bank	12		
Clydesdale Bank	12	Meghraj Bank Ltd	12		

● Members of British Merchant Banking & Securities Houses Association.

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)
ONTARIO & QUEBEC RAILWAY COMPANY
5 PER CENT DEBENTURE STOCK
6 PER CENT COMMON STOCK

In preparation for the payment of the half-yearly interest payable on June 1 next, the debenture stock transfer books will be closed at 3.30 p.m. on May 3 and will be re-opened on June 3.
The half-yearly interest on the common stock will be paid on June 1 to holders of record on May 1.
D.R. Keast
Deputy Secretary
62-65 Trafalgar Square,
London, WC2N 5DY
April 11 1991.

MONEY MARKET FUNDS

Money Market Trust Funds

Money Market Bank Accounts

JOTTER PAD

CROSSWORD

No.7,519 Set by DANTE

ACROSS

1 Saving for growth (6)
4 Knock back drink after drink: result – uproar (6)
8 Article on Rodin's mongrel dog (7)
9 Shellfish on edge (7)
11 Gaining a favourable reputation (10)
12 Money taken [illegible] gun-point? (4)
13 She has no right to leave scene of Hamlet (5)
14 Eastern trail one meandered (8)
16 Father returns with skiers out for social activity (5-3)
18 The whole lot returned, but with thanks included (5)
20 Me and mum work together (4)
21 Prison dispute heard in the exercise area? (10)
23 Put it on without being told? (7)
24 Hail new machine for linking businesses in Yorkshire and Canada (7)
25 Be unsure of key in third movement (6)
26 Capital example of a once-walled city (6)

DOWN

1 [illegible] key note of medicine (5)
2 [illegible]semen surround a group of attackers (7)
3 Countries [illegible] share them between them (9)
5 Relative connected with pop in two ways (5)
6 There are many [illegible] it (7)
7 Not enough [illegible] even for a brief trip (9)
10 Away from work [illegible] the rest of the year (2,7)
13 Newspaper boss put thought into words (9)
15 Trace fine difference between a computer and a printer, for example (9)
17 Unwanted gas-pipe? (7)
19 Alice's top drawer? (7)
21 Wait in line for a hair style (5)
22 Beginner to m[illegible] money and gain experience (5)

Solution to Puzzle No.7,518

هكذا من الاصل

WORLD STOCK MARKETS

INDICES

NEW YORK

DOW JONES	Apr. 12	Apr. 11	Apr. 10	Apr. 9	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	2920.79	2905.45	2874.50	2873.02	2973.27 (4/3)	2470.30 (9/1)	2999.75 (16/7/90)	41.22 (2/7/32)
Home Bonds	93.95	93.75	93.74	93.66	94.86 (15/2)	91.30 (16/1)	95.51 (9/2/87)	54.99 (1/10/81)
Transport	1128.88	1121.12	1113.89	1111.60	1166.26 (5/3)	894.30 (7/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	218.18	217.30	214.98	214.47	218.18 (12/4)	199.64 (16/1)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High 2946.53 (2937.62) Low 2884.16 (2877.72)

STANDARD AND POOR'S

	Apr. 12	Apr. 11	Apr. 10	Apr. 9	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	380.40	377.63	373.15	373.56	380.40 (12/4)	311.49 (9/1)	380.40 (12/4/91)	4.40 (1/6/32)
Industrials	451.12	447.48	442.06	442.25	451.12 (12/4)	364.90 (9/1)	451.12 (12/4/91)	3.62 (21/6/32)
Financial	30.07	30.12	29.50	29.77	30.36 (4/4)	21.96 (9/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	208.08	206.64	204.42	204.74	208.08 (12/4)	170.97 (9/1)	208.08 (12/4/91)	4.46 (25/4/42)
Amer Mkt. Value	366.63	365.47	362.51	363.64	366.63 (12/4)	296.72 (14/1)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	501.62	499.31	490.76	492.46	501.62 (12/4)	355.75 (14/1)	501.62 (12/4/91)	54.87 (31/10/72)

	Apr.5	Mar.22	Mar.15	year ago (approx.)
Dow Industrial Div. Yield	3.48	3.53	3.42	4.03
	Apr.10	Apr.3	Mar.27	year ago (approx.)
S & P Industrial div. yield	2.85	2.81	2.84	3.04
S & P Indl. P/E ratio	18.17	18.44	18.27	15.13

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
Nabisco (RJ)	2,362,000	12	+ 1/8
IBM	3,554,900	108½	- 2⅛
Adv. Micro	3,479,700	13⅝	+ 1
Waste Mngmt.	3,386,700	36⅜	—
Laidlaw B	2,224,700	12⅛	- ⅛
Nat. Semi	2,222,400	8	+ ⅛
Philip Morris	2,017,000	68¼	- ⅛
Am. Express	1,983,400	27⅛	- ⅛
USX US	1,937,100	33⅛	+ ⅝
Global Marine	1,896,700	4⅛	- ⅛

TRADING ACTIVITY

† Volume (Millions)	Apr.12	Apr.11	Apr.10
New York	198,610	196,570	167,940
Amex	14,712	12,039	13,653
NASDAQ	185,852	197,914	172,700
Issues Traded	2,056	2,056	2,055
Rises	930	1,104	706
Falls	615	494	858
Unchanged	511	458	491
New Highs	121	102	64
New Lows	3	5	4

CANADA

TORONTO	Apr. 12	Apr. 11	Apr. 10	Apr. 9	1991 HIGH	1991 LOW
Metals & Minerals	3125.67	3116.87	3079.56	3095.40	3284.18 (5/3)	2632.06 (9/1)
Composite	3509.39	3504.84	3494.06	3505.14	3571.53 (6/3)	3161.95 (15/1)
MONTREAL Portfolio	1842.21	1840.66	1834.06	1839.49	1888.19 (5/3)	1686.89 (9/1)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Apr. 15	Apr. 12	Apr. 11	Apr. 10	1991 HIGH	1991 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1462.7	1455.8	1454.3	1442.6	1462.7 (15/4)	1284.5 (16/1)
All Mining (1/1/80)	659.4	656.2	663.6	656.7	673.5 (19/3)	561.6 (16/1)
AUSTRIA						
Credit Aktien (30/12/84)	531.09	526.48	524.90	522.37	531.09 (15/4)	390.84 (15/1)
BELGIUM						
BEL20 (1/1/91)	1208.07	1206.56	1198.93	1197.58	1208.07 (15/4)	917.59 (17/1)
DENMARK						
Copenhagen SE (3/1/83)	351.57	351.32	350.17	350.07	354.26 (4/4)	302.26 (8/1)
FINLAND						
HEX General (28/12/90)	1164.1	1163.9	1161.5	1160.3	1186.9 (8/4)	898.5 (23/1)
FRANCE						
CAC General (31/12/82)	487.88	488.05	486.80	489.60	493.78 (9/4)	394.88 (15/1)
CAC 40 (31/12/87)	1822.35	1821.43	1825.60	1816.92	1851.89 (3/4)	1425.26 (15/1)
GERMANY						
FAZ Aktien (31/12/58)	680.28	672.46	668.64	666.55	682.77 (8/3)	570.48 (15/1)
Commerzbank (1/12/53)	1925.40	1902.40	1872.50	1885.90	1942.3 (8/3)	1612.5 (15/1)
DAX (30/12/87)	1681.42	1583.14	1565.37	1561.89	1602.29 (8/3)	1311.82 (16/1)
HONG KONG						
Hang Seng Bank (31/7/64)	3714.37	3742.00	3703.93	3777.62	3868.70 (3/4)	2984.01 (16/1)
IRELAND						
ISEQ Overall (4/1/88)	1486.93	1484.05	1483.46	1487.19	1528.65 (15/3)	1114.86 (25/1)
ITALY						
Banca Com. Ital. (1972)	591.54	594.20	589.93	591.77	600.29 (5/4)	486.26 (29/1)
JAPAN						
Nikkei (16/5/49)	26495.53	26582.50	26425.19	26268.86	27146.91 (18/3)	22442.70 (16/1)
Tokyo SE (Topix) (4/1/68)	2012.06	2004.56	1985.15	1988.07	2028.85 (18/3)	1625.00 (17/1)
2nd Section (4/1/68)	3343.78	3220.55	3280.19	3280.45	3343.78 (15/4)	2473.52 (24/1)
MALAYSIA						
KLSE Composite (4/4/86)	580.11	577.28	575.79	572.28	605.85 (11/3)	470.41 (16/1)
NETHERLANDS						
CBS Ttl.Rtn.Gen.(End 1983)	274.8	270.7	269.3	267.2	274.8 (15/4)	221.4 (16/1)
CBS All Shr (End 1983)	200.9	197.9	196.9	195.4	200.9 (15/4)	162.3 (16/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	707.90	709.53	699.49	696.77	735.00 (8/3)	610.45 (21/1)
PHILIPPINES						
Manila Comp (2/1/85)	1095.90	1070.58	1060.79	1067.68	1154.73 (8/4)	582.64 (10/1)
SINGAPORE						
SES All-Singapore (2/4/75)	405.18	404.06	401.00	397.86	415.46 (15/3)	315.07 (16/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1059.0&	1067.0	1067.0	1083.0	1367.0 (14/1)	971.0 (25/2)
JSE Industrial (28/9/78)	3453.0&	3474.0	3458.0	3458.0	3458.0 (11/4)	2829.0 (16/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	634.52	639.44	641.46	645.75	697.62 (4/1)	614.60 (16/1)
SPAIN						
Madrid SE (30/12/85)	282.84	281.69	280.09	279.04	289.22 (18/3)	213.70 (14/1)
SWEDEN						
Affarsvariden Gen. (1/2/37)	1098.80	1096.00	1087.90	1083.00	1119.0 (18/3)	808.4 (8/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	(c)	737.2	731.6	732.9	743.8 (3/4)	590.4 (14/1)
SBC General (1/4/87)	(c)	622.6	618.8	618.3	625.1 (9/4)	487.1 (14/1)
TAIWAN**						
Weighted Price (30/6/66)	5671.45	5586.46	5454.61	5363.68	5671.45 (15/4)	3316.26 (16/1)
THAILAND						
Bangkok SET (30/4/75)	884.66	(c)	892.78	882.75	892.78 (11/4)	582.48 (16/1)
WORLD						
M.S. Capital Intl.(1/1/70) ($)	523.4*	519.6	515.8	513.5	524.4 (5/4)	439.1 (16/1)

**Saturday April 6: Taiwan Weighted Price: (c). Korea Comp Ex. 651.00.
& Subject to official recalculation. *Calculated at 15.00 GMT.
Base values of all indices are 100 except: BEL20, HEX General, ISEQ Overall and DAX - 1,000, JSE Gold - 255.7, JSE 26 Industrials - 264.3 and Australia All Ordinary and Mining - 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks
Monday 15 April 1991

	Stocks Traded	Closing Prices	Change on day
S'tomo Metal	11.1m	548	+1
Nippon Express	7.5m	950	+4
Nikkatsu	7.4m	831	+7
Nippon Steel	6.0m	485	-7
K'saki Steel	5.3m	457	-4
N'on Ykn Kgyo	5.0m	1,010	+20
Hitachi Zosen	4.8m	570	-1
Tokyo Gas	4.8m	565	+4
M'bishi Heavy	4.0m	798	-7
Yamato Kogyo	4.0m	1,940	+70

2:15 pm prices April 15

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1991 High	1991 Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅞	9¼	AAR Corp	0.48	0.03	12	73	13⅞	13½	13¾	+⅛
28¼	21⅝	A L Labs A	0.16	0.01	31	159	28⅝	28⅝	28⅝	-⅛
54¾	40⅞	AMP Inc	1.44	0.03	19	1029	53½	52½	52½	-⅛
63	44¼	AMR			[illegible]	[illegible]	60¼	59½	60⅛	+⅛
2⅞	1⅛	ARX			3	51	2⅞	2⅜	2½	
48⅜	41½	ASA	3.00	0.07	13	516	45½	44⅜	44⅜	-⅛
51⅛	39¾	Abbot Lab x	1.00	0.02	22	3620	u51⅛	50½	51⅛	+⅜
13⅝	9⅞	Abitibi Pr x	0.50	0.04	20	z100	13½	13½	13⅝	
11⅝	10⅝	ACM Gvt In x				459	u11⅝	11¼	11⅝	
9⅞	8⅜	ACM GvOpp x				109	9¼	9⅛	9¼	
9	8¼	ACM Gvt Sp x	1.01	0.11		169	8⅞	8¾	8⅞	
11	9⅞	ACM Gvt Se				240	u11	10⅞	11	+⅛
8¼	7⅝	ACM Man x				57	8	7⅞	8	+⅛
12⅝	11⅞	ACM Mangd x				212	12½	12⅜	12⅜	-⅛
7¼	4¾	Acme Cleve	0.40	0.06	18	14	6⅝	6½	6½	
6	4¾	Acme Elect			15	17	5	d4⅝	4⅝	-⅛
40	22¾	Acuson			25	148	37⅝	37⅛	37⅛	-½
17⅛	14¼	Adams Expr	0.48	0.03	0	65	17	16⅞	17	+⅛
20⅞	16⅞	Adobe12Pf	2.40	0.12		29	20	20	20	+⅛
9¼	7	Adobe Res			19	192	7½	7⅜	7½	+⅛
34½	18	Ad Micro				174	u34½	34	34½	+⅛
13⅝	4⅝	Ad Micro P	3.00	0.22	157	370	u13⅝	13¼	13⅝	
4⅝	2¼	Advest Grp			3	153	u4⅝	4⅜	4½	+¼
48⅞	33⅞	Aetna L	2.76	0.06	7	1509	47¼	46⅞	46⅞	-⅛
10⅝	6⅝	Ahli A	0.24	0.03	26	636	9⅝	9⅛	9⅛	-⅛
18¾	12	Ahmanson	0.88	0.05	9	1576	17⅝	17¼	17½	+⅛
5⅞	2⅞	Aileen Inc			8	172	5⅜	5¼	5¼	+⅛
70⅛	51⅛	Air Pr Cen x			16	377	66	65⅝	65¾	-⅛
25	16⅝	Airbne Frt	0.30	0.01	11	123	21	20¾	21	+⅜
18⅞	12½	Airgas Inc			19	z100	16¼	16¼	16½	
15¼	10	Airlease	2.29	0.19	6	19	12⅛	12	12	-⅛
92½	88⅛	AlaPw8.16				z100	91½	91½	89½	-½
23½	21⅛	AlaPw PfA				6	u23½	20½	23½	
103	100	AlaPw8.44				z100	102	101⅛	101⅛	-⅛
108	104½	Alab Pw 11				z100	107	107	105	-2
100¼	98	Alab Pw 9P				z100	100	100	99½	-½

هدية من الاهرام

NYSE COMPOSITE PRICES

1991 High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
Continued from previous page										
8	4	RMI Titanm	0.10	0.02	3	52	6½	6¼	6½	
11⅛	6⅞	ROCTaiwan				55	11	10¾	11	
6¼	4⅝	RPS Realty	0.80	0.13	8	125	6½	5⅞	6¼	
73½	46¼	Racal ADR			21	87	69½	68⅞	69¼	+⅜
60⅝	48⅞	Ralston Pu	1.08	0.02	17	813	u59¾	58⅝	59½	+⅝
29¾	21¼	Raychem Co	0.32	0.01	7	368	23⅝	23¼	23⅜	–⅛
34⅞	19¼	RayJames F	0.14	0.00	23	7	32⅝	32½	32½	+¼
84½	65¾	Raytheon x	2.40	0.03	9	901	81⅞	81	81⅞	+1
38⅝	28⅛	ReaderD A x	0.60	0.02	22	91	34⅞	34⅝	34¾	–⅛
2½	1½	ReadingBB			1	516	2⅛	2⅛	2⅛	
17⅞	12⅝	RealEstIT	1.42	0.08	14	32	16⅞	16⅝	16⅞	
6⅛	4⅞	RecognitEq			2	15	6	5⅞	5⅞	–⅛
25¼	10⅞	Reebok Int	0.30	0.01	15	2259	25	24⅞	24½	–½
⅞	⅜	Regal Intl			15	10	u⅞	⅞	⅞	
12⅞	8⅛	Reich&Tang			7	31	12	11⅝	12	+⅜

1991 High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
6	3⅞	Stifel Fin			83	2	5⅞	5⅛	5⅞	
30¼	26⅞	Stone&Web	0.60	0.02	80	102	30¼	29⅞	30¼	+⅝
18⅞	9	Stone Cont	0.72	0.05	9	700	14½	14⅛	14⅜	
5⅛	3½	Stoneridge			7	68	4⅝	4⅝	4⅝	+⅛
8¼	6⅞	Storage Eq	0.80	0.10	6	75	u8¼	8	8	
38¾	17¾	Storage Te			16	783	37¾	36¼	36⅜	–1¼
35⅞	20½	Stratus			19	873	u36	32½	34⅞	–1
46⅜	28⅞	StrideRite	0.48	0.01	19	943	44⅛	42	44⅛	+2⅛
25¼	20¾	Sturm Rgr	1.20	0.06	9	34	23⅞	22⅝	23⅞	+½
9⅝	6⅞	Suave Shoe	0.30	0.04	12	3	7⅛	7	7	
9⅝	7⅜	Sun Dis A	1.10	0.12	4	48	8⅞	8⅞	8⅞	
4⅛	2½	Sun Dis B	1.32	0.34		259	3⅞	3½	3⅞	+⅜
12⅞	7⅜	Sun Electr			26	43	11	10⅞	10¾	–⅛
10¾	8⅜	Sun Energy	1.62	0.18	11	63	9	8⅞	8⅞	–⅛
32½	23⅝	Sundstrand	1.10	0.03	10	912	31⅞	30⅞	31⅞	+1

1991 High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
⅞	0.21	UtdParkCM			2	55	⅛	⅞	⅞	–⅛
24½	14⅛	USAir			1	498	18¼	18	18	–¼
12½	7½	USF&G x	0.20	0.02		22815	12¼	11⅞	12	
1	⅛	US Home				02789	½	⅜	⅜	–⅛
41	25⅞	USLIFE Crp	1.64	0.04	8	88	38⅛	37⅞	37⅞	–⅜
13⅛	9	UtdStShoe	0.52	0.05	18	360	11⅞	11⅛	11¼	
128¼	62½	US Surgel	0.50	0.00	68	1249	128½	122	122	–6⅛
40¾	35	US West x	2.08	0.05	12	1859	38⅞	38¼	38⅜	–⅜
51½	42¼	UtdTechns	1.00	0.02		82068	48	47½	47⅝	–⅛
27	21½	UtdTelec	1.00	0.04	15	5810	23¼	22⅝	22⅞	–⅜
15⅜	10⅞	UtdWater	0.92	0.06	18	28	14⅞	14⅜	14⅜	
6	3	Unitrode			45	301	u6	5⅞	6	+⅛
38⅝	28⅝	Univ Foods	0.76	0.02	18	210	u38¾	38¼	38¼	–⅜
14⅜	11	Univ Hlth	1.49	0.10	10	816	14½	14⅜	14½	+⅛
3	1⅛	UnivMed L			4	24	2⅛	2⅛	2⅛	

1991 High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
18¾	12	Zenith Nat	1.00	0.06	36	127	17¼	17¼	17¼	–¼
6	4½	Zenix Inc	0.28	0.05		51	5⅛	5⅛	5⅛	
14	10⅞	Zero Corp	0.72	0.05	14	75	u14	13⅞	14	+⅛
41⅞	29½	Zurn Ind	0.88	0.02	13	101	34⅛	34⅛	34⅛	–⅜
12⅞	10⅛	Zweig Fund x				203	u13	12⅞	12⅞	+⅛
9⅞	8½	Zweig Totl x				352	u9⅞	9⅝	9⅝	

Price data supplied by Telekurs.

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

2:15 pm prices April 15

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Perini		11	21	14⅛	14⅛	14⅛	–⅛
Pet HIsP	0.21	4	95	u9¼	8⅞	9⅛	
Phil LD	0.16	7	229	17⅜	17	17	–⅛
Pittway A		10	85	25¼	25	25	–⅛

NASDAQ NATIONAL MARKET

2:15 pm prices April 15

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
- X - Y - Z -							
Xilinx		51	2393	u24⅛	23½	24⅛	+½
XL Data		9	30	6⅛	6	6⅛	
Xoma Corp		15	1853	26¼	25¾	26¼	+¼
YankeeEnS	1.52	17	208	u23⅜	22	23	
Yellow Fr	0.94	13	252	31⅛	31	31⅛	–⅛
York Rsch		18	2708	19	17	17½	–1
ZionsBah x	1.44	8	79	u40⅛	39	39¾	+⅛

FINANCIAL TIMES

Tuesday April 16 1991

AMERICA

Equities falter after early show of strength

Wall Street

A signal from the Federal Reserve that interest rates are to remain unchanged for the time being and a mixed bag of first quarter company results left share prices looking for direction yesterday morning, *writes Patrick Harverson in New York.*

By 1.30 pm the Dow Jones Industrial Average was up 4.95 at 2,925.74, but it had already moved from strength to weakness before then. The broader-based Standard & Poor's 500 was 0.31 lower at 380.09 at 1 pm, while the Nasdaq composite of over the counter stocks was down 2.55 at 499.07, damaged by a big fall in Apple Computer shares. Turnover on the New York SE was heavy at 97m shares by 1 pm, with advances marginally outpacing declines by 766 to 708.

Equities opened higher on hopes that the Fed would cut interest rates after last week's promising inflation figures. Those gains disappeared after the Fed's mid-morning money market operations made it clear to Wall Street that the authorities were not ready just yet to ease monetary policy.

The over-the-counter market was troubled by disappointing first quarter earnings from Apple Computer. Apple tumbled $9¼ or 13 per cent to $62¾, on turnover of over 12m shares after the company reported profit of $1.07 per share for the first three months of 1991. The market had been expecting a better showing, and analysts quickly downgraded their second quarter earnings forecasts.

NCR, the computer group fighting off an unwanted bid from AT&T, slipped $⅝ to $96⅝ on news that its earnings fell from 73 cents a share to 70 cents a share in the first quarter. In a recent special ballot, AT&T failed to win the 80 per cent support of shareholders required to remove NCR's board of directors. AT&T shares rose $¼ to $35½.

Tonka, the toy manufacturer, fell $⅝ to $4⅝ after Hasbro said it was ready to raise its bid for Tonka debentures but lower its offer for the company's common stock. The new offer, which increase the total value of the bid from $470m to $486m, left Hasbro shares $½ lower at $25⅝ on the American stock exchange.

Among financial stocks, PaineWebber edged $⅛ higher to $24 (the shares had been more than $1 higher earlier on) after the company reported a three-fold increase in first quarter profits to $31m. A big rise in income at Smith Barney, the securities subsidiary of Primerica, helped the financial services group make a 30 per cent improvement in first quarter earnings. News of the 95 cents a share profit lifted Primerica's stock $⅛ to $32⅛.

The market also responded favourably to Chase Manhattan, up $⅛ to $18⅛ in brisk trading after it unveiled a rise in opening quarter income from 20 cents a share to 73 cents a share.

Canada

TORONTO stocks retreated from early gains after the US Federal Reserve drained reserves from the money market one hour earlier than usual, a strong indication that it was keeping its discount rate policy unchanged. The composite index lost 2.3 to 3,507.1. Advances led declines by 177 to 173 on volume of 13.9m shares.

There was optimism that Canadian bank prime rates would ease further to help the economy out of its recession. Among bank shares, Royal Bank gained C$⅛ to C$26⅝, Canadian Imperial added C$⅛ to C$32⅝ and Bank of Montreal put on C$⅛ to C$35⅛.

Laidlaw class B shares were flat at C$14⅛.

SOUTH AFRICA

JOHANNESBURG was easier in slow trading. the all-gold index lost 8 to 1,059 and the industrial index dropped 21 to 3,453. The all-share index fell 4 to 2,979. Vaal Reefs gave up R2.50 to R188.50 and De Beers firmed 90 cents to R76.25.

EUROPE

Frankfurt offers unusual contrast

WITH THE EXCEPTION of an unusually positive Frankfurt, individual shares featured yesterday as bourses put in a mixed performance. Zurich was closed for the Spring Festival, *writes Our Markets Staff.*

FRANKFURT broke up through the 1,600 resistance level on the DAX index following last week's failed attempt. After a 7.82 rise to 680.28 in the FAZ index at midsession, the DAX closed 18.28, or 1.2 per cent higher at 1,601.42, its best finish since the 1602.29 high for 1991 recorded on March 8.

Speculation that the US will soon cut interest rates took pressure off the D-Mark. Buying of blue chips helped the index to rise and triggered buying of other stocks as volume rose from DM4.9bn to DM6.0bn.

Among the international favourites, Deutsche Bank gained DM9.50 to DM648, Daimler DM17.20 to DM684.20 and Siemens DM6.60 to DM603.60.

However, last week's winners fell by the wayside. In retailers, Karstadt fell DM2 to DM613; in construction, Bilfinger & Berger eased DM6 to DM884; and in utilities, the relatively diminutive VEW dropped DM5 to DM224.

MILAN was dominated by last-minute technical adjustments before today's close of the April trading account. The Comit index fell 2.86 to 591.54 in volume estimated below Friday's L170bn.

FT-SE Eurotrack 100 - Apr 15							
Hourly changes							
Open	10 am	11 am	Noon	1 pm	2 pm	3 pm	Close
1121.32	1121.88	1124.24	1124.72	1124.37	1124.26	1124.45	1125.46
Day's High 1125.46				Day's Low 1121.15			

Apr 12	Apr 11	Apr 10	Apr 9	Apr 8
1116.71	1108.33	1102.87	1111.57	1113.55

Base value 1000 (26/10/90)

Cir, the holding company of Mr Carlo De Benedetti, fell L55 or 2.1 per cent to L2,615 on news that Mr Silvio Berlusconi, allied with members of the Formenton and Mondadori families, had won board control of the Mondadori publishing group. Dealers said it was likely that there would be a two-tier settlement to the long-running battle. Mr De Benedetti would first sell his stake in Mondadori to Mr Berlusconi and then get control of the newspaper La Repubblica, the weekly magazine L'Espresso and the art and cultural publications in return for a lump sum. They added, however, that the L300bn figure rumoured in the market was unacceptable to Cir.

AMSTERDAM was strengthened by an early Wall Street rise and a strong showing from Royal Dutch. The CBS tendency index ended 1.3 higher at 97.1. The oil company rose Fl 4 to Fl 154.60, a high for the year, following its annual presentation on Friday and on hopes that the dividend will be raised this year.

Heineken gained Fl 3.40 to Fl 161.40 on hopes that the current warm weather in the Netherlands heralds a hot summer. The brewer attributed its rise in sales in both 1989 and 1990 to unseasonably warm summer weather.

Yesterday the bourse said it had scrapped the listing of the remaining shares in the insurer Nationale-Nederlanden and NMB Postbank on Friday after their merger in March.

BRUSSELS saw active trade in Delhaize on reports that an investor had built up a 5 per cent stake. The retailer said it planned to renew an anti-takeover "poison pill" at an extraordinary shareholders meeting on May 3. The share rose as high as BFr8,390 before closing BFr190 lower at BFr7,970 with 30,600 shares traded. The Bel-20 index rose 1.51 to 1,208.07.

PARIS started firm on interest rate hopes, but fell back to end with the CAC-40 index up 0.92 at 1,822.35, off a high of 1,832.72, in volume down from FFr2.7bn to FFr1.5bn.

Michelin climbed FFr1.50 to FFr90.20 with 263,350 shares traded on speculative buying ahead of the 1990 results due on Wednesday. Alcatel Alsthom, which announced a spate of contracts, rose FFr5 to FFr600. Suez dropped FFr7 to FFr337.50 on expectations of a fall in profits at its unit Société Générale de Belgique. BSN, a recent underperformer, rose FFr11 to FFr849.

MADRID swallowed early disappointment that the Bank of Spain had left its benchmark intervention rate unchanged and was led higher by the utilities and banking sectors. The general index added 1.90 to 282.99 in volume estimated at Pta14bn after Friday's Pta17.5bn.

STOCKHOLM recovered from a weak opening to close marginally higher in quiet trade. The Affärsvärlden general index rose 2.8 to 1,096.8 in turnover of SKr235m after SKr287m.

VIENNA reached its highest level since last August. The bourse index rose 5.1 to 592.43.

Tax reform hits shipping sector

By Karen Fossli in Oslo

A PLANNED overhaul of Norway's 80-year-old tax system by the minority Labour Government has disappointed the stock market, and especially the shipping sector.

Last week, when the scheme was leaked and then announced, Oslo's all-share index fell by 2.6 per cent to 480.72 and its shipping index by 6.3 per cent. Yesterday, the all-share fell another 2.99 points to 477.73, and shipping by 7.98 to 578.31.

In a move to streamline the fiscal system the government proposes to lower the rate of corporate tax from 50.8 per cent to 28 per cent, the lowest of any OECD country. But allowances, which led to an average corporate tax rate of only 20 per cent, will be severely reduced.

Shipping companies are likely to suffer most if the proposal is passed by the Storting, Norway's parliament, since the depreciation rate for their assets will be cut from 25 per cent to 14 per cent, against the 20 per cent expected.

This will make it unattractive to renew the ageing fleet of the world's third-biggest shipping register. Norway's shippers have a total of 160 ships on order, roughly 15 per cent of the world total, and may threaten to take flight to more accommodating countries like Liberia.

According to James Capel, the UK stockbrokers, the change implies a tenfold increase in taxes paid by shippers. Bergesen, Norway's biggest shipowner, is an example: its tax bill for 1990 was NKr15m against an estimated NKr250m under the proposed new system.

On a more positive note, the reform also calls for the abolition of double taxation of dividends. This could allow companies to pay out more, but Capel's 1991 yield estimate for the market is only 1.3 per cent.

The government also proposes to allow large tax-free gains, accumulated in limited shipping partnerships under the existing system, to be converted into onshore equity investments. They will be allowed to be invested part of these profits in shares of onshore companies and part of them in non-listed venture companies which invest in onshore commercial activity.

The reform is scheduled to be implemented in 1992. It includes a cut in tax on capital investment from 7 to 5 per cent.

ASIA PACIFIC

Margin trading hopes keep focus on second-liners

Tokyo

HIGHER futures prices prompted arbitrage buying at the opening, but afternoon profit-taking cut some of the gains. Activity among front-line stocks remained subdued and investor interest turned to the second section on hopes that restrictions on margin trading would be lifted, *writes Emiko Terazono in Tokyo.*

The Nikkei average finished moderately higher at 26,695.53, up 113.03, having opened at the day's low of 26,620.08 and reached the day's high of 26,896.14 in the morning.

Volume remained low at 380m shares. Gainers led losers by 524 to 443, with 194 issues unchanged. The Topix index of all first section stocks rose 7.50 to 2,012.06 and in London, the ISE/Nikkei 50 index rose 0.25 to 1,514.04.

Short-term interest rates eased and the overnight unsecured call rate fell below 8 per cent for the first time since February 13. Miss Benedicte Ivey at Credit Lyonnais said that the stronger yen and lower short-term rates might persuade institutional investors back into the market.

Interest-rate sensitive issues gained. Financials, the best performing sector of the day, added 2.86 per cent. Industrial Bank of Japan added Y90 to Y3,740 and Mitsubishi Bank climbed Y30 to Y2,650.

Sumitomo Metal Industries, the most active issue of the day, rose Y1 to Y548. There were hopes that it would receive orders for seamless pipes from the Soviet Union. Soviet President Mikhail Gorbachev is due to arrive in Japan for a visit today.

Institutional investors dabbled in smaller stocks for quick profits. Nippon Express, the parcel delivery company, rose Y16 on reports of a rise in delivery fees, but gains were cut by profit-taking and the issue finished up Y4 to Y960.

Isuzu Motors fell Y28 to Y536 on reports that the company's earnings would be hurt by poor truck sales and heavy interest payments.

Smaller steel issues rose on strong earnings forecasts. Yamato Kogyo added Y70 to Y1,940 on speculation that it would win orders from Japan Railway. Nippon Yakin Kogyo, the stainless steel maker, added Y20 to Y1,010.

In Osaka the OSE average gained 214.12 to 29,994.54 on volume of 37.7m shares. Nihon Spindle, expecting a 16 per cent increase in its pre-tax profits in the current year, gained Y40 to Y1,070. Investors were also attracted by growing sales of a product which removes poisonous dioxin from contaminated water.

Nintendo, the game maker, added Y300 to Y16,900 on reports of an increase in shipments of Super Family Computer, its new video game. The issue has been depressed recently on concerns over margin positions.

Roundup

MOST Pacific Rim markets started the week on a positive note yesterday.

NEW ZEALAND surged 2.5 per cent on optimism that inflation data due tomorrow will trigger a further cut in interest rates. Turnover was heavy for a Monday at NZ$25.3m. The Barclays index rose 27.94 to 1,430.78.

HONG KONG bounced back above 3,700 after an early 60-point plunge on worries over the fate of the proposed airport and seaport project. The Hang Seng index closed 31.93 lower at 3,710.07 in turnover of HK$1.15bn after HK1.58bn.

TAIWAN rallied for the sixth day. The banking sector, which makes up half of the weighted index, soared 5.82 per cent. The index rose 78.35 or 1.4 per cent to 5,671.45 in turnover of T$84.58bn after T$74.4bn.

AUSTRALIA reached the day's high near the close on late buy orders. The All Ordinaries index rose 7.0 to 1,462.7 in turnover of A$140.29m.

SINGAPORE climbed in light trading ahead of a holiday today. The Straits Times industrial index rose 4.23 to 1,485.90 in turnover of S$104.15m after S$136.99m. KUALA LUMPUR's turnover fell to 33m shares from 49.5m ahead of the holidays today and tomorrow. The composite index added 2.83 to 580.11.

MANILA was relieved that the weekend did not bring further bomb attacks. The composite index added 25.32 to 1,095.90 in turnover of 180.97m pesos after 194.1m. SEOUL saw volume fall from Saturday's half-day Won65.5bn to Won68.9bn, the lowest this year. The composite index fell 3.69 to 634.52.

Austria stands out in flat week

MARKETS IN PERSPECTIVE

	% change in local currency †				% change sterling †	% change in US $ †
	1 Week	4 Weeks	1 Year	Start of 1991	Start of 1991	Start of 1991
Austria	+2.19	+4.72	-25.17	+6.15	+14.60	+5.55
Belgium	+0.32	+1.38	-4.97	+19.70	+16.60	+7.39
Denmark	-1.28	-0.40	-1.54	+16.93	+13.85	+4.85
Finland	-0.10	+6.15	-9.92	+30.24	+29.86	+19.59
France	-1.17	+1.24	-14.16	+19.41	+15.92	+6.76
Germany	+0.00	-0.02	-17.22	+11.84	+7.78	-0.73
Ireland	-2.99	-4.19	-12.82	+23.27	+19.84	+10.38
Italy	-0.70	+0.14	-17.26	+15.45	+13.30	+4.35
Netherlands	+0.71	+4.94	+1.34	+18.39	+14.21	+5.19
Norway	-2.37	-3.92	-14.32	+1.58	+4.16	-4.07
Spain	+0.04	-1.41	+8.46	+24.93	+25.05	+15.17
Sweden	-2.53	-2.90	+3.71	+27.08	+28.18	+18.06
Switzerland	-0.27	+3.06	+0.89	+21.35	+17.68	+8.39
UK	-0.83	+0.81	+12.72	+18.36	+18.36	+9.02
EUROPE	-0.58	+0.89	-1.40	+17.84	+16.02	+6.85
Australia	-0.52	+0.16	-0.62	+13.95	+25.60	+15.96
Hong Kong	-2.36	+1.22	+23.51	+25.38	+36.29	+25.52
Japan	-0.69	-0.70	-8.26	+14.96	+24.27	+14.4[illegible]
Malaysia	-3.23	-2.70	+7.52	+11.50	+19.41	+2[illegible]
New Zealand	+2.86	+6.56	-24.53	+9.95	+19.74	+1[illegible]
Singapore	-2.36	-2.33	-3.17	+23.93	+33.08	+22[illegible]
Canada	-0.28	-1.24	-1.52	+5.48	+15.48	+6.35
USA	+1.23	+1.96	+10.74	+15.66	+25.60	+15.68
Mexico	+3.60	+22.21	+126.94	+47.82	+58.62	+46.09
South Africa	+1.67	+2.22	-6.16	+8.42	+21.33	+11.74
WORLD INDEX	+0.04	+0.74	+0.50	+15.88	+22.54	+12.85

† Based on April 12th 1991. Copyright, The Financial Times Limited, Goldman, Sachs & Co. and County NatWest Securities Ltd

By William Cochrane

IN AGGREGATE, the world was flat last week. Europe and Japan moved into decline after improvements in the previous week, and this cancelled out a rise of 1.2 per cent in the US. Interest rate hopes affected Wall Street and Tokyo, the former ending higher last Friday on hopes of a cut this week.

Europe lost its glow with a fall, excluding the UK, of 0.4 per cent. Sassoon (Europe), UK arm of the Singapore-based stockbrokers, estimates that a portfolio of European blue chips brought investors a return of approaching 30 per cent in the first quarter of 1991, a process it describes as "the suckers' rally". According to Mr Roger Hornett, who leads on Europe, this is a rise in a bear market, brought on by people who do not want to miss the next bull run. It is there to be enjoyed, he says, but participants should remember to sell out before the next bear market leg.

In Germany, Italy and France, says Sassoon, earnings have been disappointing, even if in the Netherlands and Spain the surprises have been on the upside. "Volumes are beginning to close back down," the broker observes, adding: "This gift horse has the most rotten of teeth."

Last week's best European performer was Austria, up 2.2 per cent after a similar rise in the five days before. Mr Andrew Thomson of Kleinwort Benson said last week that he was raising his short term weighting for the country for several reasons:

- The end of the Gulf war could see the end to the recent volatility of the market;
- economic prospects remain well above average;
- earnings growth remains healthy;
- the chart of the domestic index is giving a buy signal;
- anticipated equity issues, think Kleinwort, are now largely discounted and liquidity has been building up;
- a cut in asset tax on equities would help the market; and, finally,
- any hint of recovery in the economies of Austria's eastern neighbours could strongly boost equity sentiment.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	FRIDAY APRIL 12 1991								THURSDAY APRIL 11 1991					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991 High	1991 Low	Year ago (approx)
Australia (74)	136.57	+0.0	113.91	117.62	119.61	116.00	+0.0	5.86	136.51	113.03	117.27	118.68	116.03	137.70	112.74	134.64
Austria (19)	207.55	+0.0	173.11	178.76	161.77	180.73	+0.3	1.46	207.56	171.87	178.31	180.37	180.13	222.37	167.00	277.96
Belgium (60)	141.99	-0.1	118.43	122.28	124.35	120.80	+0.5	4.92	142.12	117.68	122.08	123.51	120.22	151.20	121.73	148.76
Canada (116)	138.29	+0.1	115.35	119.10	121.11	115.28	+0.2	3.43	138.16	114.40	118.88	120.06	115.05	141.10	126.49	138.98
Denmark (31)	243.94	+0.0	203.47	210.10	213.63	213.75	+0.5	1.56	244.08	202.06	209.63	212.08	212.68	270.56	217.74	249.71
Finland (21)	123.35	-0.2	102.89	106.24	108.03	102.19	-0.4	2.38	123.57	102.32	106.16	107.38	102.80	125.15	90.61	185.96
France (112)	140.66	-0.6	117.32	121.14	123.17	125.55	+0.1	3.45	141.57	117.22	121.61	123.01	125.47	152.26	121.85	165.87
Germany (88)	111.08	-0.2	92.65	95.68	97.28	97.28	+0.6	2.31	111.26	92.12	95.59	96.68	96.65	125.35	102.43	135.11
Hong Kong (48)	152.90	+1.2	127.53	131.68	133.91	152.92	+1.2	4.48	151.12	125.13	129.82	131.33	151.16	156.75	119.62	123.66
Ireland (16)	163.87	-1.1	136.68	141.13	143.51	145.08	-0.7	3.15	165.64	137.16	142.29	143.94	146.06	182.46	132.88	189.09
Italy (91)	81.72	+0.4	68.16	70.37	71.56	76.16	+1.0	3.36	81.40	67.40	69.92	70.73	76.39	88.23	72.06	101.76
Japan (452)	142.79	+0.7	119.10	122.98	125.07	122.98	+1.0	0.70	141.78	117.40	121.79	123.22	121.79	146.97	118.36	133.04
Malaysia (33)	233.29	+0.4	194.59	200.92	204.30	246.05	+0.3	3.07	232.33	192.37	199.57	201.89	246.21	247.78	192.88	218.12
Mexico (12)	853.82	+1.6	712.16	735.36	747.75	2789.38	+1.5	0.25	840.14	695.66	721.72	730.09	2748.35	853.82	534.45	403.66
Netherland (40)	140.92	-0.3	117.54	121.37	123.42	122.08	+0.6	4.27	141.26	116.99	121.37	122.78	121.33	145.73	125.70	140.13
New Zealand (14)	47.88	+1.3	39.92	41.22	41.91	43.11	+1.5	7.92	47.22	39.10	40.57	41.04	42.49	52.31	41.16	62.37
Norway (30)	195.96	+0.9	163.45	168.76	171.62	173.75	+1.4	1.76	194.21	160.81	166.84	168.77	171.41	229.24	182.24	229.15
Singapore (25)	195.21	+0.6	162.82	168.12	170.95	158.14	+0.6	2.12	194.10	160.72	166.74	168.67	157.25	208.25	151.63	188.65
South Africa (60)	204.37	+0.4	170.46	176.01	178.98	147.68	+0.4	3.87	203.50	168.50	174.81	176.84	147.05	208.54	173.00	165.74
Spain (41)	161.60	+0.0	134.79	139.19	141.52	126.89	+0.5	4.46	161.60	133.81	138.82	140.43	126.22	171.12	131.51	145.20
Sweden (27)	188.24	+0.7	157.01	162.13	164.86	168.73	+1.0	2.58	187.01	154.85	160.65	162.52	167.08	204.12	146.60	180.40
Switzerland (65)	96.39	-0.3	80.40	83.02	84.43	85.31	+0.8	2.42	96.72	80.09	83.09	84.06	84.64	100.67	82.17	91.97
United Kingdom (295)	180.61	-0.9	150.64	155.54	158.16	150.64	-0.2	4.71	182.23	150.89	156.53	158.34	150.89	187.44	156.27	148.01
USA (525)	164.21	+0.7	126.63	132.82	135.06	154.21	+0.7	3.18	153.16	126.82	131.58	133.10	153.16	154.21	125.95	139.28
Europe (938)	143.74	-0.5	119.88	123.80	125.89	122.99	+0.2	3.85	144.46	119.62	124.10	125.55	122.72	151.52	125.50	141.50
Nordic (109)	183.56	+0.4	153.10	158.09	160.75	156.36	+0.8	2.06	182.87	151.42	157.09	158.91	155.14	200.81	155.55	187.36
Pacific Basin (646)	142.49	+0.7	118.85	122.72	124.79	123.28	+0.9	1.03	141.49	117.16	121.55	122.96	122.18	146.92	117.86	132.73
Euro–Pacific (1582)	143.35	+0.2	119.57	123.45	125.54	124.03	+0.6	2.19	143.06	118.46	122.89	124.31	123.24	147.66	121.29	136.68
North America (641)	153.15	+0.7	127.74	131.92	134.15	151.59	+0.7	3.19	152.15	125.99	130.72	132.24	150.60	153.15	125.91	139.15
Europe Ex. UK (641)	121.52	-0.2	101.35	104.68	106.44	106.84	+0.5	3.17	121.75	100.82	104.61	105.83	106.27	129.80	106.85	135.60
Pacific Ex. Japan (194)	137.98	+0.6	115.09	118.86	120.85	122.61	+0.5	5.01	137.22	113.62	117.90	119.26	121.98	139.90	111.40	128.39
World Ex. US (1770)	144.20	+0.2	120.28	124.20	126.29	124.60	+0.6	2.25	143.90	119.16	123.68	125.08	123.82	148.16	122.92	137.34
World Ex. UK (2000)	143.16	+0.5	119.41	123.30	125.39	132.11	+0.8	2.32	142.39	117.90	122.33	123.75	131.12	143.99	120.06	135.86
World Ex. So. Af. (2235)	146.13	+0.4	121.89	125.87	127.99	133.85	+0.7	2.57	145.58	120.54	125.07	126.52	132.98	147.10	122.92	138.68
World Ex. Japan (1843)	149.85	+0.2	124.99	129.07	131.25	139.72	+0.5	3.51	149.53	123.81	128.46	129.96	139.04	151.69	126.69	140.33
The World Index (2285)	146.48	+0.4	122.18	126.16	128.29	133.95	+0.7	2.58	145.93	120.83	125.35	126.82	133.08	147.40	123.28	136.93

Latest prices were unavailable for this edition.